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outh Africa Says 1 Died in Violence n One-Day Strike

By Edward A. Gargan
New York Times Service

RETORIA — Eleven persons killed throughout South Africa Monday during the strike by ks in commemoration of the ng of hundreds of blacks by rity forces 10 years ago, the rnment said Tuesday.
was the highest death toll since country's white leaders imd a state of emergency Thurs-

ith Africa unveiled a package measures to stimulate the ging economy. Page 15.

suspending many civil rights sharply curtailing the right of s organizations to report its.
lost blacks returned to work sday, but absenteeism rates of o 50 percent were reported in e areas, including Durban.
he authorities said the events day demonstrated the govern-t's success in preventing blood-l on the anniversary of the kill- in the black township of eto.
he deaths raised to 42 the total ber of blacks killed since impo-n of the state of emergency.
Nowhere was there mass un-" said Leon Mellet, spokesman the new Bureau for Informa-. "The incidents of violence isolated."
Ir. Mellet said that "massive nce" planned by the African onal Congress "did not materi-."
speaking in Paris, Oliver bo, leader of the guerrilla organtion, called the general strike a unding success, the greatest onal strike in the history of h Africa, an act of defiance ire South African military nt." The Associated Press re-ed.
le also asserted that the tight restrictions on the news media t have been used to cover up widespread killing by South African security forces.]

On Tuesday morning, in cities around South Africa, millions of blacks who had remained away from work on Monday again jammed trains and buses to city centers. Johannesburg's streets, which were almost deserted Monday, were crowded with black office workers, laborers, young people and shoppers.

The government announced that foreign television networks would be prohibited from conducting live broadcasts from South Africa.

At the same time, Newsweek's correspondent in South Africa said that the current issue of the magazine, with a cover reading "South Africa's Civil War: The Making of a Bloodbath," had been banned from entering the country.

The government ordered the expulsion of four foreigners, apparently West Germans. A press release issued Tuesday by the Ministry of Home Affairs said that the four — two clergymen, a tourist

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Reuters

Terry Waite, a special envoy of the archbishop of Canterbury, hugged Desmond M. Tutu, the Anglican bishop of Johannesburg, on arrival Tuesday to study the state of emergency.

Rehnquist Nominated As U.S. Chief Justice As Burger Steps Down

By David Hoffman
Washington Post Service

WASHINGTON — President Ronald Reagan announced Tuesday that Chief Justice Warren E. Burger was resigning from the U.S. Supreme Court and that he would nominate Associate Justice William H. Rehnquist as Justice Burger's successor.

Mr. Reagan also said he would

The two new Supreme Court nominees are considered conservative jurists. Page 7.

nominate Antonin Scalia, 50, a judge of the U.S. Court of Appeals for the District of Columbia, as successor to Justice Rehnquist, 61.

Both Justice Rehnquist's new post and the nomination of Judge Scalia must be confirmed by the Senate. Court observers said approval was likely.

Legal observers in Washington described Judge Scalia as philosophically very conservative.

Justice Rehnquist often is called the most conservative of the nine justices and some observers consider him the court's most intellectual member.

The nominations, therefore, seem certain to give the Supreme Court a more conservative outlook and may help Mr. Reagan put a stronger philosophical imprint on the court as one legacy of his presidency.

The Supreme Court is one of the three co-equal branches of the U.S. government and the chief justice, the highest judicial appointment in the country, is its most influential member. The court can overturn laws approved by the president and Congress if it determines that they violate principles of the U.S. Constitution.

Until now, Mr. Reagan has nominated only one justice, Sandra Day O'Connor, to the bench.

If confirmed, Judge Scalia would be the first person of Italian descent to serve on the court.

Justice Burger, 78, has been chief justice for 17 years. He was appointed by President Richard M. Nixon. His retirement is to become effective July 10, the end of the current court term.

Justice Rehnquist was a 47-year-old assistant U.S. attorney general when Mr. Nixon appointed him to the court in 1971, succeeding John Harlan. Before his service at the Justice Department, Mr. Rehnquist was a lawyer in Phoenix.

Justice Burger, appearing Tuesday with Mr. Reagan and Judge Scalia at the White House, said that the main reason for his retirement is to preside over the preparations for the 200th anniversary celebra-

See COURT, Page 2

William H. Rehnquist

Press Struggles With Vague Pretoria Curbs

By Eleanor Randolph
Washington Post Service

WASHINGTON — South Africa's new restrictions on media coverage of racial unrest are so vague that journalists will have to censor themselves to avoid fines and arrest, executives of major international news organizations say.

But most of those contacted said they wanted to maintain news teams there and would push to cover news to the permissible limit without jeopardizing reporters, photographers and crews.

"The restrictions are particularly pernicious in that they impose a form of self-censorship in a very gray area," the president of CBS News, Van Gordon Sauter, said. "That puts the on-site journalist in a position of great vulnerability."

[The government turned down on Monday an appeal of an expulsion order by a CBS television cameraman, Wim de Vos, The Associated Press reported from Johannesburg. Mr. de Vos was arrested Wednesday while covering a demonstration in Cape Town. A CBS spokesman in Johannesburg said that the South African minister of home affairs, Stoffel Botha, had told Mr. de Vos, who is Dutch, to leave by midnight Tuesday.]

On Monday, as many South Africans observed the 10th anniversary of rioting in the Soweto township near Johannesburg, reporters were banned from black townships and prohibited from reporting on police or military activity unless they received authorization from the government.

In effect, the regulations kept all but a few black reporters who live in the townships from viewing events firsthand. The government information bureau became the official source of information about news that most journalists in South Africa could not witness.

The government banned on Tuesday live transmissions by foreign television crews.

Several newspaper and television editors said they would try to make clear to readers how much of a story might be missing because of the restrictions.

"We will tell the reader each day why the reader is not getting a full and complete report," said Alvin Shuster, the foreign editor of the Los Angeles Times.

Warren Hoge, the foreign editor of The New York Times, said, "We've been trying to find every alternative method we can of getting the information" without breaking the rules.

"If we can possibly do it, we want to stay there," Mr. Hoge said. "If at some point it becomes intol-

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Soviet Arms Proposals Pose Problems for U.S.

By Michael R. Gordon
New York Times Service

WASHINGTON — The latest Soviet arms proposals, although indicating a shift on medium-range weapons in Europe and on sea-launched cruise missiles, still pose some problems for the United States, according to administration officials.

Mikhail S. Gorbachev, the Soviet leader, described some aspects of the Soviet proposal Monday but omitted details.

The proposal, submitted in the Geneva arms talks last Wednesday, dropped Soviet insistence that so-called forward-based systems, such as U.S. fighter-bombers in Western Europe and on aircraft carriers, be reduced under a treaty on strategic arms. Mr. Gorbachev publicly confirmed that offer Monday.

But the Soviet Union has also proposed that these forward-based systems be frozen at their current levels, administration officials said Monday.

The United States has rejected the notion that these systems be covered in a strategic arms treaty, and officials said the proposal to freeze such weapons at current levels was probably unacceptable.

Moreover, officials said, the Soviet concept of forward-based systems appeared to include medium-range missiles in Western Europe. A freeze on the deployment of such systems would stand in the way of the continuing deployment of ground-launched cruise missiles in Western Europe and would be unacceptable, officials said.

The issue of medium-range arms is the focus of one of three subgroups in the Geneva negotiations; the two others deal with strategic weapons and with space-based and defense weapons.

Another problem in the new Soviet proposal pertains to sea-launched cruise missiles.

The Soviet Union was understood to have dropped its demand that all sea-launched cruise missiles with ranges of more than 600 kilometers (372 miles) be banned. But officials said Monday that the Soviet offer still sought such a ban on surface vessels, while allowing the missiles on submarines.

Navy intelligence officials have told Congress that they expect long-range Soviet cruise missiles to be deployed on submarines; the U.S. Navy is deploying them on submarines and on surface ships.

The United States' current arms proposal does not cover sea-launched cruise missiles at all.

Some administration officials said the Soviet Union might drop some features of its proposal if the United States responded with concessions.

In general, the State Department and the Defense Department continue to be divided over the Soviet proposal, with the State Department emphasizing the positive elements and the Defense Department the negative features, officials said.

The officials also said that the administration had not yet decided

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eijing Says Bureaucrats Thwart ndustries on 'Verge of New Life'

By Daniel Southerland
Washington Post Service

EIJING — China's much-pro-ed changes in major industrial y have reached a state of near llock, according to official s reports here.
has been two years since Chi-State Council issued regula-s aimed at decentralizing eco-ic power and giving more nomy to industrial enterprises. it an article published Monday in the official Beijing Review said many factory directors complain that "some powers were withdrawn as soon as they were given out."

"Many factories that seemed on the verge of new life once again slacked off," it said. "The directors of some large and medium-size enterprises are burning up with anger and anxiety. They want back their decision-making powers."

The director of an electronics factory in Beijing was quoted as saying, "To break the current deadlock in urban economic reform, there must be a breakthrough in giving enterprises more powers."

The rural policies introduced by China's leader, Deng Xiaoping, have raised production and living standards in much of the countryside.

But the more recently introduced urban and industrial policies have encountered strong resistance from bureaucrats and Communist Party cadres who are said to fear a loss of power and privileges.

"They see their fiefdoms being reduced," a Western diplomat said.

From Mr. Deng's point of view, the changes are the key to making China an advanced industrialized nation.

Previously, almost all decisions were made by the central government. The so-called reformers have been trying to give factories more autonomy and to make them more responsible for their own profits and losses.

But according to reports published Monday in the Communist Party's official newspaper, People's Daily, middle-level bureaucrats and party cadres have been attacking reformist factory managers through "unreasonable investigations" and are bringing false charges against them.

They also apparently have exerted new controls over factories by creating administrative bureaus to supervise them.

People's Daily said that in one case, jealous superiors tried to seize the profits created by a particularly

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anama Politicians Call or a Military Shake-Up

Reuters

ANAMA CITY — A former ident and an opposition leader called for a shake-up in Pana-military leadership following rts alleging that the country's tary chief was involved in traf-ng guns and drugs.
rnulfo Arias Madrid, who has ed as president of Panama e times and has been over-wn by the military three times, d the country's military lead-'a disgrace to the armed forces a mockery of national dignity."
anamanians have the "duty to themselves of the military lead-ip which is the source of cor-ion and decadence in the coun-Mr. Arias Madrid said.
arlier, Ricardo Arias Calderón, ident of Panama's opposition istian Democratic Party, said it "urgent that responsible offi-and troops recognize as soon ossible the need for a new mili-command."
here was no immediate reaction n the military to either state-t.
he statements came after re-ts in The New York Times last k alleged that Panama's mili-chief, General Manuel Anto-Noriega, was linked to gunrun-g, drug trafficking and a wide ge of other illicit activities, in-ling espionage and the murder leading critic of the military.
ieneral Noriega has denied the gations, saying they were di-ed against his country, not him-President Eric Arturo Delvalle called the assertions lies.
Mr. Arias Madrid and Mr. Arias derón ran on the same ticket in 1984 presidential elections, the t direct balloting for a Panama-a president in more than a de-e. Critics alleged that the elec-ns were rigged by the military.
he military has ruled Panama nly or from behind the scenes ce Mr. Arias Madrid was over-own in a 1968 coup led by Gen-l Omar Torrijos, the military der who negotiated the Panama nal treaties with the United tes. He died in 1981.

NYT

Manuel Antonio Noriega

General Noriega, a former intelligence chief, has run the 15,000-man National Defense Forces since 1983, when his predecessor, General Rubén Darío Paredes, stepped down to run for the presidency.

■ U.S. Said to Clarify Charges

Foreign Minister Jorge Abadía Arias said Monday that the U.S. government had presented a note earlier in the day clarifying its position on the allegations against General Noriega, The Associated Press reported from Panama City.

The U.S. ambassador to Panama, Arthur H. Davis, delivered the note and met for 15 minutes with Mr. Abadía Arias, but both men refused to discuss their conversation or the contents of the note. Mr. Abadía Arias said only that it was "positive" and that Mr. Delvalle would release the text later.

■ Details of Accusations

Seymour M. Hersh of The New York Times reported from Washington:

Evidence collected by U.S. intelligence agencies has been said to link General Noriega to money laundering, drug activities and supplying arms to a Latin American guerrilla group.

Senior officials in the State Department, the White House, the

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INSIDE

Reuters

France Defeats Italy, 2-0

Michel Platini lobs the ball over Italy's goalie, Giovanni Galli, and another defender, Antonio Cabrini, for France's first goal Tuesday in Mexico. Italy, the defending champion, was eliminated from the World Cup tourney. Page 9.

GENERAL NEWS

■ **Pentagon spending** is to increase even if the military budget is cut, officials say. **Page 3.**

■ **The Gulf war** has failed to stop oil shipments. **Page 7.**

■ **Afghan rebel leaders** met with President Ronald Reagan and urged him to break ties with Kabul. **Page 6.**

BUSINESS/FINANCE

■ **General Motors Corp.** has permission to assemble cars and establish parts-making ventures in Egypt. **Page 15.**

■ **Two U.S. agencies** presented a new system to ease export controls on high-technology exports to the East bloc. **Page 15.**

ARTS/LEISURE

■ **Faye Dunaway's performance** hides many weaknesses in a London production of "Circe and Bravo." **Page 10.**

TOMORROW

A reporter watches controversial brain surgery at the Mayo Clinic. In Science.

3 Soldiers Are Slain In Madrid

By Tom Burns
Washington Post Service

MADRID — Suspected Basque terrorists fired Tuesday on a military vehicle in Madrid, killing a lieutenant colonel, a major and their driver.

The attack came just five days before general elections in which the Socialist prime minister, Felipe González, is seeking a second term.

Among the dead was Major Ricardo Saenz de Ynestrillas, a well-known rightist officer who in 1980 was convicted of taking part in an abortive military coup. He received a six-month jail sentence but the year he had spent under house arrest while awaiting trial was taken into consideration and he was freed immediately. Police theorized that he was the chief target of the attack.

Witnesses said two men and a woman approached on foot and sprayed the army staff car with machine-gun fire at lunch hour as it stopped at a traffic light on a busy street. The assailants then escaped in an automobile.

Killed in the attack along with Major Saenz de Ynestrillas were Lieutenant Colonel Carlos Besteiro, who had a desk job in the personnel department of the general staff headquarters, and the vehicle's driver, Francisco Casillas.

Police sources said the ambush was likely to be the work of the Basque separatist guerrilla organization ETA, whose initials stand for Basque Homeland and Liberty in the Basque language.

The group has claimed responsibility for more than 500 deaths since it began a terrorist campaign in 1968 aimed at securing the secession of the Basque provinces in the north of the country from the rest of Spain.

The González government claims that it has reduced Basque political violence, but the terrorism issue remains at the forefront of campaign themes for the June 22 elections. The conservative opposition to the Socialist government has promised increased measures against terrorism if it is elected.

Police said that Tuesday's assassination squad could be the same ETA group that detonated a car bomb in Madrid two months ago that killed five members of the paramilitary police corps, the civil guard.

The attack came at a time when ETA is conducting a campaign aimed at damaging Spain's tourist industry. Over the past month seven bombs have exploded in coastal resorts along the Mediterranean. On Sunday night four pounds (about two kilograms) of explosives wrecked an empty bedroom in a

See SPAIN, Page 2

Brazil, Argentina Attack Psychology of Inflation

By Bradley Graham
Washington Post Service

BUENOS AIRES — One year after Argentina launched a dramatic surprise attack on inflation, and three months after Brazil followed suit with a similar economic shock, officials in both countries say they have taught the International Monetary Fund a lesson, demonstrating an alternative to the IMF-prescribed remedy of recession to curb inflation.

But despite spectacular successes in leveling what were some of the steepest cost-of-living increases in the world, Argentina and Brazil still face fiscal deficits, oversized public sectors, inefficient state-run enterprises and other structural deformities — traditional spurs to inflation that numerous analysts say must be corrected to prevent wages and prices from spiraling upward again.

Most disappointing of all, the anti-inflation plans have failed so far to revive business confidence, even after sparking surges in consumer demand. New investment is missed especially in Argentina, which has suffered years of industrial decline in contrast to Brazil's recent high growth rates.

What has been unorthodox about the South American approaches is their insistence that inflation can be squelched by attacking the psychology of inflation without sacrificing economic growth. This thinking runs counter to past IMF anti-inflation formulas aimed mainly at dampening aggregate demand through expenditure cuts and monetary restrictions.

"Our goal was not only to bring down inflation but to do it without recession," said Mario Brodersohn, the Argentine secretary of finance.

After living with inflation for years, Argentines had come to expect it and had adopted indexing mechanisms and other schemes to guard against monetary erosion. The result was a certain inertial inflation.

To break this, Argentina froze wages, prices and foreign-exchange rates, replaced the debased peso with a new currency called the austral, and pledged not to emit new money to finance the fiscal deficit. Brazil also froze prices, de-indexed wages and introduced a new currency called the cruzado.

"This is not just another round of price controls," said Edmar Bacha, head of the Brazilian statistics bureau and an architect of the program. "Some Americans say we're just attacking appearances, not the substance of inflation. But there is a psychological element to inflation that feeds on itself."

While Brazil's anti-inflation plan still is relatively new and very popular, public support for Argentina's program has waned, prompting officials to relax controls in April.

The government has moved from a policy aimed at stabilizing prices to one defined as

'Though we may lose future battles, the first victory is here to stay.'

— Edmar Bacha, Brazil's chief statistician

"stabilizing inflation." The wage-price freeze has given way to a system of "administered" increases, which some analysts say could lead to a new inflationary spiral.

Prices in Argentina now are rising at about 4 percent a month on the average — still high by U.S. or European standards, but only a fraction of the 30-percent to 40-percent monthly jumps that existed before the austral plan took effect on June 14, 1985.

According to a recent poll, Argentines now worry less about price increases than about unemployment. As a sign that shopping behavior has returned to normal, storekeepers who formerly insisted on cash payment are offering installment plans now.

By eliminating inflation as the obsession it once was, the government had hoped to be able to extend the country's planning horizon and concentrate on correcting longer-term structural problems. But public debate on how to reactivate private industry and how to restructure the public sector is being overshadowed by angry union protests.

This has left President Raúl Alfonsín's small economic management team largely preoccupied with managing wage policy.

A 24-hour general strike last Friday — the sixth since Mr. Alfonsín took office two and a half years ago — disrupted economic activity across the nation. The General Labor Confederation, a nationwide umbrella group of trade unions aligned with the opposition Peronist movement, has attacked the austral plan for causing a drop in inflation-adjusted wages and for failing to revive production or attract foreign investment.

The government authorized a 5-percent wage increase for public employees in January, and decreed another 5-percent rise in April. But workers say their incomes do not stretch as far they did a year ago.

Are You First-Born? Sleep on the Floor? You May Be Eccentric

By Richard F. Shepard
New York Times Service

EDINBURGH — Here in Britain, where eccentricity has long been recognized as an established fringe of the social fabric, a scientific study of what it is all about is under way.

The study, embracing 200 avowed eccentrics as its sampling, is being conducted by Dr. David Weeks, a former New Jersey resident who is principal psychologist of the Royal Edinburgh Hospital. The goal is to examine scientifically what an eccentric is. The research also hopes to shed some light on the originality in thinking that is one of the hallmarks of eccentricity.

Dr. Weeks and Kate Ward, a research associate, already have interviewed 130 of their subjects in the study, which they began two years ago.

The people studied are a mixed bag of individualists. Many work at normal jobs, such as a man who installs bank security equipment in Nottingham. But he has legally changed his name to Robin Hood and goes about wearing a Sherwood Forest green ensemble and carrying a bow and arrow.

Another, identified as John Slater, lives in a cave, or did until he got married and moved to a farm after he was interviewed. Mr. Slater is a former social worker who takes long walks, barefoot and clad in pajamas, on behalf of charity. He once walked from John o'Groat's at the northern tip of Britain to Land's End, at its southern end.

Yet another man takes to scientific pursuits, some of the Rube Goldberg school, others of a practical nature. One is a plan to use an extinct British volcano that might, in case of nuclear blast, release hot air into balloons carrying laser equipment that could neutralize radiation. Another idea is for cleaning up oil pollution at sea by encasing metal chips in floating plastic cases; the metal would attract the oil and then be picked up by a ship carrying a magnet.

Dr. Weeks describes eccentrics in this way: "They have an excessive preoccupation that they follow through on, and they don't care what others think. They are not hurtful. To the contrary, they are valuable to society, which is standardized and homogenized. International Computer, a large concern, was interested in the study because they wanted to send a letter designed to lure eccentrics, wild-idea people, to work for them."

"The United Kingdom is the best place to be for this study," he said, referring to the great number of eccentrics in English literature.

It all began, Dr. Weeks said, when a man brought to the hospital's Jardine Clinic was discharged because he was not suffering from discernible mental illness but manifested "eccentric traits." That piqued the psychologist's curiosity, particularly when he found that apparently nobody had studied the subject scientifically.

"It was difficult to determine how to find eccentrics," Dr. Weeks said. "Even though I am an American, I didn't have the nerve to knock on doors and ask people if they were eccentric. And so we invented what we call multimedia sampling.

"We wrote a message on ordinary filing cards: 'Eccentric? If you feel that you might be, contact Dr. David Weeks.' We placed them in pubs and supermarkets all over town, where all classes of people could see them. The story was picked up by the press, and we received letters from more than 200 people, of whom we have studied 130 in detail."

The study's statistics indicate about 20 characteristics that contribute to an eccentric personality.

Eccentrics often are only or eldest children who have received strict and critical parental guidance. They are noncompetitive, not team players. They are loners, mostly by preference. They are nonconforming and feel the world is out of step with them, and they feel that they are different from others. They are creative and inventive. They have an obsessive preoccupation with one or two subjects, and they are opinionated and outspoken.

Eccentrics are very curious and hard to live with. Males start to display eccentricity at ages 8 or 9; females seem to become eccentric at all ages.

Eccentrics have strange eating regimes. For instance, Dr. Weeks cited a man who stands by the Oxford Circus subway station in London with a placard that urges, "Defeat Passion — Be a Vagan," meaning a vegetarian.

Eccentrics often sleep on the floor, although the study includes one man who spends his life in bed, reading books on military achievements.

Further, eccentrics are abrasive and do not suffer fools lightly. Eccentrics go through long periods of "invisibility," keeping low profiles and then erupting flamboyantly in the public eye. Finally, they have insight into their own social difficulties and have little patience with small talk.

Dr. Weeks said the inventive eccentrics spend much time working on perpetual motion devices or trying to square the circle.

"One lady has a penchant for grand pianos," Dr. Weeks said. "She also wanted to live on the top or third floor of a building. One place she moved to had a spiral staircase, and the movers couldn't get her four pianos up the stairs. They had to cut the wall to get them in. A week later, she decided she didn't like living there and moved."

Botha, Informed That U.S. Is Losing Patience, Is Said to Voice Defiance

By Gerald M. Boyd
New York Times Service

WASHINGTON — President Pieter W. Botha of South Africa has defiantly rejected a personal appeal from President Ronald Reagan for restraint and for an end to the nationwide state of emergency decree, according to White House officials.

The officials said Mr. Botha, when told that the administration's "patience was wearing thin," reacted in an "obstinate" manner.

They said he indicated he would continue acting under the decree regardless of international criticism.

The Reagan administration continued to publicly urge restraint Monday, with the White House spokesman, Larry Speakes, warning again that South Africa risked becoming a "continuing tragedy."

Mr. Speakes said, however, that the administration planned no new economic reprisals against South Africa and would continue to resist moves by Congress to adopt additional sanctions.

He said the administration remains opposed to measures in a bill that is likely to be approved by the House of Representatives later this week.

The proposals include an end to all commercial bank loans and new American investments in South Africa, the withdrawal of landing rights for South African Airways and a ban on imports of South African coal, uranium and steel.

Mr. Reagan urged restraint and criticized the state of emergency in a personal message delivered to Mr. Botha on Friday by Herman W. Nickel, the U.S. ambassador to Pretoria.

The official said Mr. Nickel bluntly told the South African leader during their meeting that Mr. Reagan would like him to renounce violence, lift the state of emergency and begin to deal with his opponents.

He said the ambassador told Mr. Botha that "moves in Congress would only gain momentum based on this action."

Describing Mr. Botha's reaction as "obstinate," the official said the South African leader had indicated that "we are going to do this and we are prepared to weather the storm of international opinion."

But the official said the Reagan administration regarded its options as limited at this point, with the *president firmly opposed to additional* sanctions.

■ Tambo Warns of 'Bloodbath'

Oliver Tambo, the leader of the African National Congress, told a United Nations conference on sanctions against South Africa that a "bloodbath" in the country was inevitable unless the international community acted at once, The Associated Press reported Tuesday *from Paris.*

"Time is running out, if it hasn't run out already," Mr. Tambo said. The African National Congress is the main guerrilla group fighting to overthrow South Africa's white government.

He accused the United States, Britain and West Germany of playing an "ignoble and disgraceful" role in the crisis by opposing further sanctions against Pretoria.

Representatives from more than 100 countries are taking part in the five-day meeting in Paris, which began Monday. The United States, Britain and West Germany are not represented, and France and Japan sent observers.

Mr. Tambo described a general strike Monday in South Africa to *mark the 10th anniversary of the* Soweto uprising as a "resounding success." But he said that unless the world acted now, "a bloodbath in South Africa and southern Africa is inevitable."

Mike Theiler/Reuters

Oliver Tambo and Lisbet Palme, wife of the slain Swedish prime minister, at the UN conference on sanctions in Paris.

■ Australia to Expel Envoy

Australia's Foreign Ministry ordered a South African diplomat to leave the country because he had *beaten a woman demonstrator with* a stick during an anti-apartheid rally, The Associated Press reported Tuesday from Canberra.

Soviet Leads Space Race, Jane's Says

The Associated Press

LONDON — The Soviet Union has taken an "almost frightening" 10-year lead over the United States in its space program, Jane's Spaceflight Directory says in its latest edition, published Tuesday.

The biggest surprise about the U.S. space shuttle accident on Jan. 28 was that NASA had made no contingency plans, Reginald Turnill, the editor, also wrote.

He said that the National Aeronautics and Space Administration had a 100-percent flight safety record for 25 years and "no transport system can hope to maintain such perfection in the face of human fallibility."

Mr. Turnill's assessments came in the introduction to the 1986 directory, published by the company that produces the authoritative Jane's reference works on aircraft, military vessels and weapons systems.

Mr. Turnill said that because of the explosion of Challenger, in which seven astronauts were killed, plans to use the shuttle as the West's main satellite launcher had failed beyond recovery.

Short-term launch costs, such as insurance, also will soar as a result of the accident, he said. This will put pressure on satellite makers to increase capacity and, most of all, longevity.

The Russians are so far ahead of the Americans in space "that they are almost out of sight," Mr. Turnill said.

"Worse," Mr. Turnill said, "the U.S. experience is largely based on short flights, giving no more than three days at a time of uninterrupted materials processing and crystal growth experiments."

The Salyut space station Mir is *already in place, he said. But "for* all NASA's brilliant interplanetary successes, the U.S. space station is receding into the mid-1990s."

On the military significance of the Soviet Union's lead, the article said that American officials themselves have said that the Soviet shuttle's heavy lift booster system could be used for launching military payloads, including ballistic missile defense weapons.

WORLD BRIEFS

French Nuclear Plant Worries Bonn

RAMBOUILLET, France (UPI) — Chancellor Helmut Kohl of West Germany told President François Mitterrand of France on Tuesday that Bonn is concerned about France's construction of a nuclear plant near their common border.

Mr. Kohl, at a joint news conference with Mr. Mitterrand, said that he wanted to make sure stringent safety precautions would be taken at the Cattenom nuclear power station, where the first of four atomic reactors will be generating electricity by the end of the year.

The Cattenom plant in northern France near the border with West Germany and Luxembourg will be one of the world's largest when all four reactors are completed. About 10,000 people, most of them from West Germany and Luxembourg, staged a peaceful anti-nuclear demonstration near the plant on Sunday. The concern over Cattenom arose in the aftermath of the Soviet Union's Chernobyl nuclear disaster that spewed radioactive cloud over Europe.

U.S. Stores Asked to Remove Drug

AUBURN, Washington (AP) — Bristol-Myers, the maker of Extra Strength Excedrin capsules, asked stores nationwide to remove them from shelves Tuesday after the authorities here confirmed that a cyanide-tainted capsule caused the death last week of a 40-year-old woman.

Sue Snow, a bank manager who was found unconscious in her home on June 11, died later at a hospital. The medical examiner's office confirmed Monday that she died of acute cyanide poisoning. The police said that cyanide was found in Excedrin capsules discovered in her home.

Mayor Bob Roegner of Auburn declared a public emergency Monday and all the capsules were being removed from store shelves in the area. Bristol-Myers recommended similar action nationwide even though, the company said, "we believe this to be a local, isolated incident."

Thatcher Briefs Hussein on Israel

LONDON (Reuters) — Prime Minister Margaret Thatcher of Britain briefed King Hussein of Jordan on Tuesday on her recent trip to Israel after telling Parliament she saw no reason to urge the king to negotiate directly with Prime Minister Shimon Peres of Israel.

Mrs. Thatcher and Hussein conferred for more than an hour. A spokesman for the prime minister said they discussed her talks with Israeli officials and with eight Palestinian representatives in Jerusalem last month.

"It is a cause of concern that there is at present no initiative to solve the Middle East situation," Mrs. Thatcher said in Parliament on Tuesday. "We must continue to keep on trying." But, she added: "I don't think there is any point of encouraging King Hussein to negotiate with the prime minister of Israel. I do not think he'd contemplate it without the support of the other Arab nations."

China to Aid Philippines, Laurel Says

AP

Salvador H. Laurel

BEIJING (LAT) — China has offered a new package of economic benefits to the Philippines and has pledged to continue to avoid contact with or support of the Philippine Communist Party, Vice President Salvador H. Laurel of the Philippines said Tuesday.

At the end of a three-day visit here, Mr. Laurel said China has agreed to supply the government of President Corazon C. Aquino $2 million in crude oil on a deferred payment basis, to renew $20 million in credit and to provide another $20 million in new commercial trade assistance. China had cut relations with the former Philippine government of Ferdinand Marcos.

North Korea Seeks Talks With South

TOKYO (AP) — North Korea proposed Tuesday that North and South Korea's top military officials and the commander of the United Nations forces in Korea meet in July in an effort to reduce tension on the peninsula, North Korea's official radio said.

Pyongyang Radio, monitored in Tokyo, said the proposal was contained in a letter from the armed forces minister, O Jin U, to his South Korean counterpart, delivered in the truce village of Panmunjom.

North Korea's broadcast said Mr. O's letter proposed a preliminary working session in Panmunjom on June 27, to be followed by a top military meeting in July. The South Korean Ministry of National Defense said a letter had been received, but did not disclose its contents.

Arrest of Polish Official Is Confirmed

WARSAW (Reuters) — The Polish government confirmed Tuesday that a senior Polish Foreign Ministry official has been arrested in connection with the capture last month of the Solidarity underground leader, Zbigniew Bujak.

The official spokesman, Jerzy Urban, said Zbigniew Wroniak, a deputy director in the administration department, was suspected "of hampering penal proceedings against Bujak" and faced a charge carrying up to five years imprisonment. He refused to give other details.

Mr. Bujak, who was the head of Solidarity's clandestine provisional coordinating commission, was arrested on May 31 in a Warsaw apartment owned by Mr. Wroniak's daughter, Julita. Officials at Rakowiecka Prison in Warsaw had said that a man called Zbigniew Wroniak was being seized, but Mr. Urban and other officials had refused confirmation until Tuesday.

For the Record

The Greek government rejected an offer by pilots and engineers of the state-run Olympic Airways on Tuesday to end a six-day strike. They made the offer to the release of arrested colleagues and the reinstatement of others who were dismissed. (R)

The United States and Uruguay signed an agreement Tuesday providing $14 million in U.S. aid to help Uruguay rebuild its economy. (AP)

Rightist Mozambican guerrillas said they shot down a Zimbabwean MiG-21, destroyed 10 army vehicles and killed 87 government Zimbabwean soldiers aiding the Mozambican Army last Wednesday in three operations. (AP)

A Yugoslav court sentenced 17 ethnic Albanians on Tuesday to prison terms ranging from one to 11 years for crimes connected with a conspiracy to make Kosovo, a province of Serbia, into a separate republic, Tanjug press agency said. (AP)

SPAIN: *3 Soldiers Killed*

(Continued from Page 1)

deluxe hotel in the resort of Marbella.

■ Poll Favors Socialists

Spain's governing Socialists could retain their absolute majority by a narrow margin despite indications of wavering support, according to the last opinion poll before Sunday's general election, Reuters reported from Madrid.

The poll said the prime minister's Socialist Workers Party could win around 180 seats, more than the 176-seat absolute majority but far fewer than the 202 seats it won in 1982.

All polls have forecast that the Socialists will remain by far the largest party. But some surveys indicated that voters disenchanted with unemployment or the moderate pace of change would turn toward nationalist, centrist and leftist parties to deny Mr. González an absolute majority.

The latest poll was broadcast Monday by a private radio station shortly before a legal deadline on opinion polls, which are banned in the last five days before elections. It gave the Socialists 40.2 percent of the votes against 46 percent four years ago.

It saw their main opponents, the right-wing Popular Coalition of Manuel Fraga Iribarne, polling a virtually unchanged 25.5 percent, and confirmed the emergence of former Prime Minister Adolfo Suárez's Social and Democratic Center Party as the third political force with 9.9 percent.

AP

Ricardo Saenz de Ynestrillas

SOUTH AFRICA: *11 Killed During General Strike*

(Continued from Page 1)

and a Johannesburg teacher — were being expelled Tuesday.

A fifth person, a Dutch television cameraman working for the American network CBS, was driven to Jan Smuts Airport outside Johannesburg and expelled.

Terry Waite, a representative of the Archbishop of Canterbury, Robert Runcie, arrived in Johannesburg on Tuesday on what he said was a mission to learn how many Anglican clergymen were among the approximately 2,000 people detained by security forces under the state of emergency.

Mr. Waite, who has negotiated for the release of hostages in Lebanon and Iran, said he also would be providing the archbishop with a report on the general situation.

He and Bishop Desmond M. Tutu, the black Anglican bishop of Johannesburg, toured Soweto. Church officials said that an Anglican community center was firebombed there Monday.

Of the 11 black persons killed Monday, Mr. Mellet said that four were shot by security forces and the others were believed to have been killed by other blacks.

Mr. Mellet said that the African National Congress, the largest illegal anti-apartheid organization, had called for "a massive popular and multipronged offensive."

Nonetheless, he insisted, "it is now more clear than ever that the people of South Africa reject the ANC and its violence."

"However," he added, "the ANC will now become more desperate. For this reason the security forces will continue to take the necessary measures to maintain law and order."

Reports by news organizations of ongoing protests and the activities of security forces has been prohibited by the government. The morning newspaper Business Day published a notice on its front page stating: "This newspaper has been produced under restrictions amounting to censorship."

Johannesburg's afternoon daily, The Star, published a similar warning. And The Sowetan, a newspaper published primarily for blacks in the Johannesburg area, appeared with a blank editorial column.

Mr. Mallet confirmed that foreign television networks would no longer be permitted to broadcast live programs from South Africa or to conduct live interviews.

Only material that has been taped will be permitted to be transmitted through the satellite facilities owned by the government-owned South African Broadcasting Corporation.

"The reason is to determine responsibility for what is broadcast outside South Africa," said Sakkie Burger, the senior news director at the broadcasting corporation.

CHINA: *Officials Thwart Policies*

(Continued from Page 1)

successful and reform-minded director of a vehicle factory in Zhengzhou. He was fired, but reinstated a few days ago.

People's Daily and other official papers have reported in recent weeks that many factory managers have been frustrated in their attempts to exercise the right they supposedly have to market their products and to hire and dismiss workers.

Economic Daily reported recently that the official powers of the factories often are withdrawn by the administrative bureaus that local governments impose on the factories.

Those bureaus intercept raw materials allocated by the state to the factories and sell them to the factories at elevated prices.

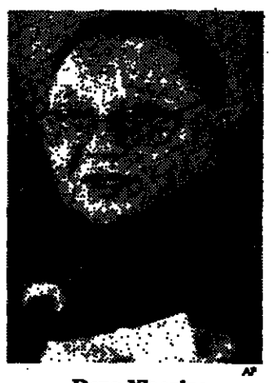
They also try to assume a monopoly over the marketing of some of the factories' most popular products, and force efficient enterprises to buy products from less-efficient companies that are under the bureaus' protection.

Beijing Review quoted Zou Ruqing, director of a chemical factory in Shandong province, as saying that in theory, enterprises have the power to do many things.

"But when it comes to reality," he said, the overseers "come along, leaving enterprises with little power in the end."

Mr. Zou said that when his factory decided to increase the rewards for good performance, acting on the principle that wages should be distributed according to one's work, the administrative bureau insisted that the matter required its approval.

The official news agency Xinhua reported recently that an economist who interviewed more than 100 leaders of enterprises concluded that they need political backing more than anything else.



AP

Deng Xiaoping

Feng Yuzhong, president of Liaoning University in northeast China, said many reformers felt vulnerable to attack from "orthodox forces" because they often are not supported by their leaders when they are in trouble.

PRESS: *Pretoria Curbs Are Vague*

(Continued from Page 1)

erable, then we will think of something else."

"They just wind up hurting their own government even more," said Michael Getler, the foreign editor of The Washington Post, "and I'm *confident we will ultimately find* out what went on in there these past few days in some detail."

■ Churchgoers Are Arrested

Robert D. McFadden of The New York Times reported from New York:

Among the incidents that could not be reported from South Africa under the new restrictions was the arrest Sunday of 250 people, including two Americans, at an Anglican church service near Cape Town. South African policemen, calling the gathering a subversive meeting, seized everyone in the church, including many children.

An account of the arrest and imprisonment of the churchgoers was provided on Monday by a sister of one of the arrested Americans. She learned of the events in telephone conversations from Cape Town with the other arrested American.

Jean Daugherty of Durham, *North Carolina, said that her* brother, Scott, 18, who is a college student, and the Reverend Bryan Burchfield, an American Lutheran missionary with whom he was staying, were among the 250 people arrested at a service on Sunday at St. Nicholas Church in Elsie's River, a black township near Cape Town.

A State Department spokesman, Bruce Ammerman, confirmed that *the two had been arrested. He said* Mr. Burchfield was released Sunday night but that Mr. Daugherty remained in custody and that consular officers had been unable to gain access to him.

According to the account given Miss Daugherty, the police arrived at the church shortly before 4 P.M. Sunday and said the predominantly black gathering was illegal.

She said she understood that the new rules banned meetings of the Lutheran Church and those of the Anglican, Dutch Reformed and other churches in the South African Council of Churches.

"They went in and arrested those on the altar who were leading the service," Miss Daugherty said, "and then they started rounding up the worshipers."

Miss Daugherty said that the congregation, which included "quite a few small children and babies," began moving out of the church and into police vans outside, offering no resistance. As they did so, she said, a large crowd of blacks "gathered outside and this escalated into a protest."

The police used tear gas to disperse the protesters, Miss Daugherty said, and drove the churchgoers to a police station where their thumbprints were taken.

She said children under 14 years old were then given warnings and released, and most of the others were ordered sent to Pollsmoor Prison.

COURT: *Rehnquist Is Nominated*

(Continued from Page 1)

tion of the framing of the U.S. Constitution, in 1987.

He said he was leaving the court because the celebration "got a late start," adding: "We're vastly under-financed. We're going to have the devil's own time doing the kind of job we ought to do for this great event."

Justice Burger denied that poor health had anything to do with his retirement.

"Do I look as if I'm falling apart?" he asked. "I never felt better in my life."

Judge Scalia has been on the U.S. Court of Appeals since 1982 and was a Reagan appointee.

Mr. Reagan said that Justice Burger advised him on May 27 of *his intention to retire.* The justice telephoned the White House on Tuesday with word that he would be bringing his resignation letter to the president, and the resignation was announced shortly afterward.

Justice Burger said that during his tenure on the court he had accomplished "not everything I set out to."

When Justice Burger was appointed to the court by President Nixon in 1969, he ushered in an era of more conservative law-and-order rulings after a liberal period under Chief Justice Earl Warren.

He joked about the unconfirmed report the court had found the [illegible] get-balancing law unconstitutional.

"I thought that came down last week. Did you miss it?" he asked.

Justice Rehnquist, who has had trouble with a bad back, said he would defer questions about his health until the Senate confirmation hearing. Judge Scalia also deferred answering questions about his position on abortion until Senate hearings. Legal observers said that he opposes abortion but noted that he has nine children.

That issue along with minority rights, affirmative action in the workplace and the question of the federal government's powers over the states are among questions that will soon come before the court in the form of important cases. There are also issues on which Mr. Reagan would like to set conservative legal precedents, just as he has made a conservative imprint on the American political landscape.

Justice Burger, reacting early Tuesday to a question about division among the justices on the court, said "it has not become more divided" during his tenure.

He denied that his decision to retire was not related on a wish to have Mr. Reagan appoint his successor.

"If that had been my decision, I would have had plenty of time," he said.

ARMS: *Latest Soviet Proposals Pose Problems for U.S.*

(Continued from Page 1)

whether it would respond to the Soviet proposal before the current negotiating round ends in two weeks.

The Soviet offer may become the focus of debate over the administration's policy on strategic arms. President Ronald Reagan has said that he will no longer be guided by the 1979 strategic arms treaty in making decisions. At the same time, he has said that Soviet moves in Geneva would be taken into account in decisions.

Arms advisers disagree over whether the United States might undertake actions, ostensibly on cost grounds, that would have the effect of keeping the United States within 1979 treaty limits.

Last week, Paul H. Nitze, arms adviser to Secretary of State George P. Shultz, told Congress that he expected the United States to dismantle an additional Poseidon submarine. Dismantling such a submarine would keep the United States within the treaty limit of 1,320 multiple-warhead missiles and cruise-missile-carrying bombers if the dismantlement was undertaken before the end of the year.

But on Monday, Edward L. Rowny, an adviser to Mr. Reagan, said that the administration had *decided not to dismantle an additional* submarine this year.

■ Verdict on Chernobyl

Mr. Gorbachev has apparently delivered the Kremlin's verdict on the handling of the Chernobyl nuclear accident in a speech to top officials on the dangers of untruth, Reuters reported from Moscow.

Western diplomats said that they *believed Mr. Gorbachev was refer*ring to the aftermath of the April 26 reactor accident in a passage in a speech to the Communist Party Central Committee.

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AMERICAN TOPICS

Scotty Morris/Reuters-UPI

ART IN THE ROUND, WITH LID — Scott Siedman puts the finishing touches on his painting, to be entered in the 1986 San Francisco Fair garbage-can art contest.

Saving the Glitter Of New Times Square

A multibillion-dollar overhaul for Times Square in New York City is under study, with the aim of removing the sleaziness but not the glitter. Zoning laws being considered by city authorities would require that new buildings include space for theaters, cafes, skating rinks and the like to keep the place alive after dark. Kent L. Barwick, president of the Municipal Art Society, says, "If everyone in Times Square is wearing a necktie and coming down the elevator at 5:15, the area is dead."

The walls of new buildings would have to be recessed above 50 feet (15 meters). Otherwise, Mr. Barwick said, "instead of a bowl of light, you have a canyon of walls."

From Tokyo's Ginza, London's Piccadilly Circus and Paris's Champs-Elysées, architects and planners have culled such ideas as sidewalks that glisten with implanted silicon-carbide particles, images from oversized signs leaping from building to building and huge inflatable advertisements hung from office windows. Mr. Barwick said, "Signs in Times Square are like redwoods in California — they have to be protected."

Short Takes

Ronald P. Reagan, 28, the son of Ronald and Nancy Reagan, writes in Fathers, a new Washington-based magazine, that the president's own father suffered from alcoholism and was often absent from home, providing no role model for being a father, so Mr. Reagan is "not the most naturally equipped to be everybody's idea of a perfect father." "He makes up for it," the younger Reagan said, "by being a genuinely kind and nice person."

Wilmington, Delaware, has acquired untold billions in deposits of gold and silver bullion in the last five years because of a 1981 state law that raised maximum legal interest rates and reduced taxes for large financial institutions. More than 30 banks built vaults for the bullion and offices for electronic and paper transfers, starting a boom that transformed the city. Now before the state legislature is a measure that would extend similar benefits to foreign banks in hopes that they, too, will join the rush.

The Home Shopping Network on U.S. cable television offers a 24-hour bazaar for discount merchandise. Smooth-talking salespeople pitch everything from clock radios to brass barometers to ersatz diamonds. Viewers call a toll-free number to order the proffered items. The network, which is based in Clearwater, Florida, estimates that it logs 5,000 calls an hour. It buys closeout, overrun and other marked-down merchandise for resale. Salespeople warn that the items in stock are limited and will only be on sale for a short time, often as little as two minutes, with a countdown clock to dramatize the deadline.

Shorter Takes: The State Department says it issued 3 million passports from January to early May of 1985 and 17.8 percent fewer during the same period this year. It cites terrorism, the exchange rate and cheap domestic air fares as probable causes. □ **U.S. airlines** are forecasting record travel this summer, up 4.5 percent over 1985, with heavier traffic on domestic routes more than compensating for the drop in foreign tours. □ **The average** U.S. wedding costs $6,350, including rings, reception, photographer, bought or rented clothing for the ceremony, invitations and clergyman, but not including the honeymoon, according to Bride's Magazine. □ **Stickers** saying "Baby on Board" have become ubiquitous in the rear windows of American cars. Elizabeth McCarthy told The New York Times that she had sighted a variant: a car driven by a determined-looking woman with a sticker saying, "Ex-Husband in Trunk."

— Compiled by
ARTHUR HIGBEE

Pentagon Spending: A Budget Paradox

By George C. Wilson
Washington Post Service

WASHINGTON — Although President Ronald Reagan's five-year military buildup has apparently crested, military spending will continue to rise through the rest of his presidency and beyond even if annual Pentagon appropriations decline sharply, defense, congressional and industry officials say.

The House and Senate armed services committees begin final work this week on the fiscal 1987 military budget, and Mr. Reagan has no chance of getting anything close to the amounts he has requested, congressional and defense sources say.

The only serious question is whether to freeze the military budget near its present level or lower it for the rest of the decade, they said.

Instead of the requested 11-percent increase — from $286 billion in fiscal 1986 to $320 billion in fiscal 1987 — it now is virtually certain that Mr. Reagan will be lucky to get the $301 billion the Congressional Budget Office figures is needed just to keep up with inflation.

But because Congress in the past five years has appropriated money faster than the Pentagon could spend it, billions are piled up in the Defense Department's bank account. Most of that money is owed to contractors for weapons that have been ordered but not yet delivered.

This, coupled with the roughly $300 billion the Pentagon can expect Congress to appropriate annually in coming years, will keep Pentagon spending on an upswing.

For example, Congress appropriated $996 billion from fiscal 1982 through 1985 during the big buildup years of Mr. Reagan's first term. Yet the Pentagon only spent $855 billion, leaving $142 billion unspent.

NEWS ANALYSIS

The Pentagon has found another source of money from cushions against inflation that have surpassed inflation. Also, Senator Ted Stevens, a Republican of Alaska and chairman of the defense subcommittee of the Senate Appropriations Committee, is expected to help the Pentagon by appropriating more money than the House and Senate Armed Services committees authorize.

There is another paradox: Despite the fact that the Pentagon will be spending more money than ever through the rest of the 1980s, the army, navy, air force and marines are in for relative austerity.

The services will be unable to finish all of the programs now under way, although many specialists believe it will take a few years of reductions before Congress and the Pentagon cancel weapons programs outright rather than stretch them out.

"We've got a Congress determined to give less money to defense," Senator Barry Goldwater, a Republican of Arizona and the chairman of the Senate Armed Services Committee, said.

"The cuts after this year," Mr. Goldwater said, "cannot be just around the edges and may have to include personnel reductions."

Senate Armed Services subcommittees already have recommended that Pentagon civilian employment be reduced by 27,000 people to an even 1 million, and that the navy add only an extra 6,000, not the requested 12,000, to its active duty force.

Some analysts believe that the big increases Mr. Reagan requested for fiscal 1987 for the operation and maintenance of existing weaponry and for research will be inviting targets for budget cutters.

Mr. Reagan wants to increase the operation and maintenance account from $75 billion to $86 billion next year. A number of lawmakers want to save about $8 billion by only permitting enough growth to cover inflation.

Mr. Reagan's research budget calls for going from $34 billion to $42 billion. There is widespread sentiment in Congress to hold the account at the current level plus inflation, which would save about $5 billion.

Additional billions are almost certain to come from postponing or slowing new weapons programs. The army's LHX helicopter, the navy's V-22 Osprey tilt-rotor plane and the air force's C-17 transport are on the Pentagon's own hit list.

The lawmakers in the coming weeks almost certainly will cut the procurement account rather than approve Mr. Reagan's request for an increase from $93 billion to $96 billion.

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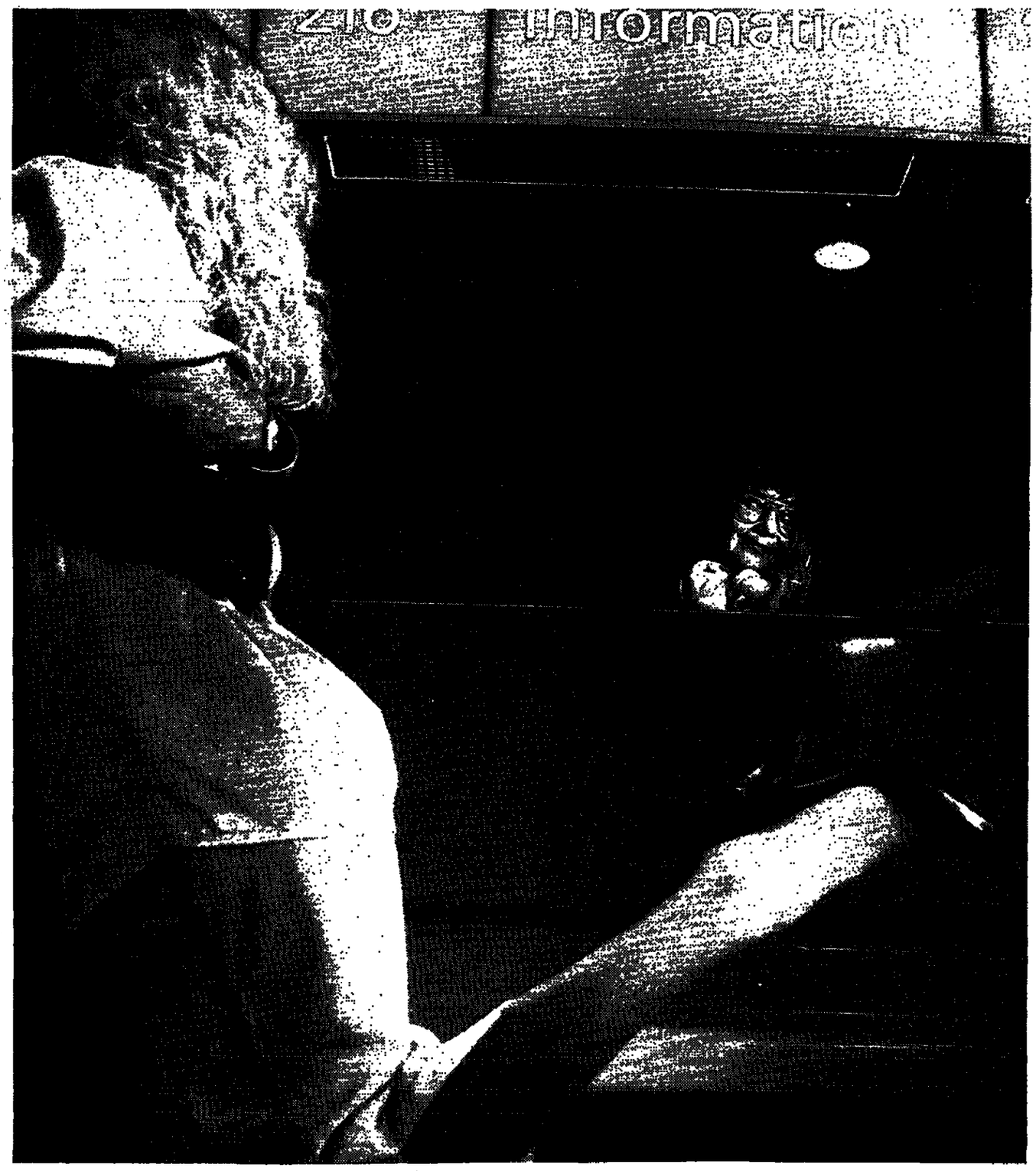

Lufthansa

U.S. Reportedly Restored Spy's Security Clearance

By Philip Shenon
New York Times Service

WASHINGTON — The U.S. Navy restored a security clearance to Jonathan Jay Pollard, an analyst who later admitted spying for Israel, after he threatened to file a grievance against his superiors, according to a Reagan administration official.

The official said Monday that the clearance had been revoked in 1981 because Mr. Pollard was having emotional problems but was restored the same year.

Mr. Pollard, a civilian counterterrorism analyst, was granted access to highly classified documents in 1983, the official said. Navy investigators are trying to learn why he was given such a high security clearance after the 1981 incident and to what extent the navy was swayed by Mr. Pollard's threat, said the official.

Mr. Pollard confessed earlier this month that he had sold U.S. military secrets to Israel since at least 1984 for tens of thousands of dollars. The case has strained U.S.-Israeli relations and led to interagency battles between the Justice Department and the State Department.

After a meeting Monday with U.S. officials here, the Israeli justice minister, Yitzhak Modai, pledged that his government would cooperate in the espionage inquiry and urged that the investigation be accelerated.

After seeing Secretary of State George P. Shultz, Mr. Modai said there "should be no doubt" that Israel wanted to see American laws upheld and pledged cooperation "to the fullest degree."

He was critical of statements from U.S. officials who have said privately that there may be more Israeli spying in the United States. "If there is more to the case, somebody has to produce the 'more,'" he said. "Otherwise it's just talk."

Also Monday, a Justice Department official confirmed that Rafael Eitan, an Israeli who has been described in government papers as the leader of the spy ring, traveled in 1968 to a nuclear processing plant in Pennsylvania from which more than 200 pounds (90 kilograms) of enriched uranium disappeared.

In recent years, intelligence sources have said they believed that Israel diverted the uranium for use in nuclear weapons.

Court documents filed by prosecutors earlier this month say Mr. Pollard was hired by the navy in 1979 and served as an intelligence specialist.

According to the administration official, he lost his security clearance two years later at least in part because of complaints from a fellow employee who believed that Mr. Pollard was suffering from psychiatric problems.

The nature of Mr. Pollard's emotional problems could not be determined, although the official said he had "heard the word 'bizarre'" applied to the analyst's actions.

People who knew Mr. Pollard have described him as volatile and garrulous; a college classmate recalled that he frequently boasted of colorful international exploits, including service as an agent of Israeli intelligence.

The suspension of his clearance led Mr. Pollard to threaten to file a grievance against navy supervisors, the official said.

After discussions among navy supervisors, the official went on, the security clearance was restored, and Mr. Pollard was later transferred to a sensitive post in a newly formed anti-terrorism unit of the Naval Intelligence Service.

Mr. Pollard was able to remove stacks of highly classified documents from a navy facility in Suitland, Maryland.

In his job, Mr. Pollard analyzed intelligence pertaining to terrorist threats in the 48 contiguous states and the Caribbean. Prosecutors said that he had security clearance to obtain documents classified "special compartmentalized," a classification higher than top secret.

Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

An Obtuse Triangle

The United States, Japan and West Germany, which account for two-thirds of the industrial world's output, are at loggerheads. This bodes ill for the global economy they dominate. America professes a new faith in international cooperation, but the other two sides of the triangle hold suspiciously aloof.

The early Reagan administration was indifferent to the economic reactions between America and elsewhere. Like Lewis Carroll's Duchess, it thought that if everybody minded his own business the world would go round faster. But when America nearly fell off the edge, it changed its tune. Other countries may be pardoned for thinking that it supports cooperation only when it wants something, but they might do better to conclude that it has learned a lesson: Noncooperation is unsuitable because national economies are indissolubly linked.

The triangular dispute concerns the U.S. claim that a lower dollar will not by itself eliminate the vast U.S. trade deficit and counter protectionist claims and currency disorder. Japan and West Germany have to help by expanding the purchasing power of their citizens. Otherwise the cheapened U.S. exports will not find a market and foreign producers will not relax their onslaught on America.

The argument is incontrovertible, yet it falls on deaf ears. Tokyo and Bonn say the process is already taking place — although most forecasts see it being slow and discontinuous. And how, anyway, could they speed it up?

Easier monetary policy might help. Lower interest rates in Japan and West Germany could spur demand. But warnings by the Bank for International Settlements against any incontinent relaxation of monetary caution must be heeded. Washington also claims that there is scope for more expansive budgetary policy abroad: As the U.S. budget deficit is reduced, countervailing action is needed in Japan and West Germany — reducing taxes or raising public spending. Both countries resist this, and the BIS doubts whether coordinated moves in this direction are either likely or desirable.

The U.S. argument would be received better if Washington were nearer to reducing its budget deficit. But the prospects are clouded because Congress has its eyes on the November elections and President Reagan still believes that the laws of mathematics can be suspended. Why should others relax their fiscal rectitude, perhaps reviving world inflation, if America is not going to shape up?

Japanese and Germans may wonder why they should relax efforts to contain budget deficits when the United States should intensify them. Rising public debt means that future taxes have increasingly to be earmarked for interest payments rather than for more productive uses, and it threatens to raise interest rates. In both countries an aging population will eventually burden the budget with rising social security and pension obligations.

But there is a time for everything. Japanese and Germans are currently better placed than Americans to finance budget deficits. America's savings are insufficient, but Japan and West Germany have surplus savings that they invest abroad. They would do better to use this money at home, expanding their economies so that they are better able to face up to rainy days a decade or so ahead.

There is room for marginal adjustment on all three sides, to get the world economy into better shape without sacrificing stability in the longer term. But if it is to be achieved, Washington must take the first step by reducing its budget deficit. The triangle's longest side is American.

INTERNATIONAL HERALD TRIBUNE.

Nonvoters Vote No

The vulnerable underside of white power in South Africa is an industrial economy's dependence on six million black workers. What did not happen Monday, on the 10th anniversary of the Soweto uprising, is therefore an even bigger story than the violence of recent months. Buses rode empty, shops stood shuttered and urban workplaces fell silent as millions of blacks stolidly withheld their labor and patronage.

None of President P.W. Botha's emergency decrees could prevent the impressive protest, and no amount of censorship could suppress the news and its significance. The oppressed not only shamed their oppressors, they struck where even racists feel pain, at the purse. And the success of their boycott, despite the jailing of thousands of trade union and political leaders, shows how the regime itself is now trapped into assisting the protest movement.

The black youths who rose up a decade ago in Soweto were provoked by a government order requiring that they speak Afrikaans instead of English in their segregated schools; the aim was to impose yet one more limiting handicap on black students. The violence spread, claiming 570 lives, and forced the regime to think about providing more peaceful means of redress.

In 1979 the government tried to channel the discontent by legalizing black union activity, hoping thus to end wildcat strikes and improve discipline in the workplace. Membership soared, particularly in mines and factories, and that led to the formation last November of the Congress of South African Trade Unions, which represents 500,000 members in 33 unions. But the regime could not confine those unions to an economic agenda. Earlier this year they tested their strength by getting 1.5 million black workers to stage a one-day "stayaway" to demand that May 1 be made a paid holiday. Monday's boycott confirmed the crippling political potential of South Africa's growing black organizations.

Mr. Botha had better heed the writing on this wall. The "stayaway" is here to stay. So long as the regime outlaws or persecutes credible political groups, the unions — as in Poland — will be political instruments. Their unity is all the more impressive now that the government, using its formidable police powers, tries so hard to divide, infiltrate and intimidate black organizations.

Whatever Mr. Botha's response, America's should be self-evident. The United States should reach out to these political unionists, just as it did to the Solidarity movement in Poland. Monday's boycott was a vote for sanity by otherwise disfranchised millions. The black leaders who are still devoted to such nonviolent protest deserve America's tribute and embrace.

— *THE NEW YORK TIMES.*

Other Comment

Options for South Africa

It is the Western countries who are the major investors in apartheid, propping up the apartheid regime and pumping the oxygen of foreign capital into the dying body politic of South Africa. That the existence of the apartheid regime is immoral is no longer debatable. Yet during this current decade of the 1980s, foreign investment in South Africa has doubled and now stands approximately at $43 billion. The rulers of apartheid appeal to that investment as a stake in perpetuating white minority rule.

Given this reality, it appears that we have four options. They are (1) to wallow in the bloodshed by continuing to invest, trade and make bank loans to South Africa; or (2) to take swift action with trade and other forms of joint economic retaliation; or (3) to engage in providing massive airlifts for South Africans fleeing for their lives; or (4) to prepare to fight militarily, toe-to-toe against the apartheid regime as we did against its predecessor Nazi Germany.

In any case, we must leave no stone unturned, no strategy ignored. South African fascism is a threat to the whole human race. The United Nations in its wisdom has declared apartheid "a crime against humanity." The United States, Britain and the Western allies can do without apartheid; apartheid cannot do without America and the Western allies.

— Jesse Jackson, president of the National Rainbow Coalition in the United States, speaking in Paris Monday at a United Nations conference on South Africa.

The Point of No Return?

The record shows that every step Pretoria takes against dissent leaves more corpses on the streets. President Botha's decision to impose a new state of emergency is a turning point in the South African crisis and may well prove to be the point of no return, as he himself recognized when he said that he expected active foreign hostility.

By defying international opinion to step up repression, the president has surrendered to the ultra-right. Smartly avoiding the snares and delusions of statesmanship by turning his back on conciliation, he has now focused his attention on the parish-pump politics of fissiparous Afrikanerdom. The rise to public notoriety of such music-hall Hitlers as Eugene Terreblanche and his Nazified Afrikaner Resistance Movement, which has so far proved capable of half-filling a small stadium, scared Mr. Botha out of the last residue of his reformist mood. The exaggerated importance of the racialist right conveniently coincided with the threat of more violence on the anniversary [of the Soweto uprising] to inspire the president to join the "you ain't seen nothing yet" school of government.

In choosing the day of publication of the excellent report on South Africa by the Commonwealth Eminent Persons Group to declare a nationwide emergency and suffocate the media, Mr. Botha destroyed the last hope that he might find the courage to make real changes capable of defusing the racial confrontation in southern Africa.

— *The Guardian (London).*

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OPINION

Syria and Iraq: Reluctant to Be Partners

By John K. Cooley

This is the first of two articles.

LONDON — Economist John Kenneth Galbraith might have had the Middle East in mind when he wrote that politics is "choosing between the disastrous and the unpalatable."

Jordan's King Hussein has been trying hard to get across to two Arab neighbors, Presidents Hafez al-Assad of Syria and Saddam Hussein of Iraq, that disasters await the Arabs unless these two old adversaries can be reconciled. After weeks of King Hussein's patient efforts, Syrian and Iraqi emissaries held an unannounced meeting on their border last weekend, but could not agree, as Iraq wanted, to discuss the Gulf War between Iran and Iraq.

What the king and Mr. Hussein want discussed is how Syria might end its support for Mr. Hussein's biggest foe, Ayatollah Ruhollah Khomeini of Iran, in the terrible Arab-Persian war that has lasted longer than World War I and probably cost nearly as many casualties.

The king and his able prime minister, Zaid al-Rifai (one of his few advisers able to talk with Syria's aloof man of iron, Hafez al-Assad), as well as the Saudis and the Soviets, worked quietly for weeks before Damascus and Baghdad would agree to talk about talks.

Jordan's monarch, as he tells friends in the West, feels that he faces implacable hostility from Israel's friends in the U.S. Congress. The collapse last year of President Reagan's peace moves, hastened by the inability of PLO Chairman Yasser Arafat to compromise on Jordan-PLO peace moves with Israel, has placed the king before what he sees as a stark necessity.

This is to return to the efforts made so often since 1918 by him, his murdered grandfather King Abdullah and other members of his originally Arabian family, the Hashemites, toward bringing quarreling Arab rulers together into some kind of a unified Arab front.

Unity has existed only for brief moments of history: The 1948-1949 and 1967 defeats in war with Israel, and the far more equivocal conflicts of 1973 and 1982, when Jordan stayed out. After 1973 and the Egypt-Israel peace treaty, Egypt dropped out as an active belligerent. Syria was left alone. There was a brief Damascus-Baghdad truce in 1978, but Iraqi strongman Saddam Hussein executed several cabinet ministers for treason after they signed a Syrian-Iraqi unity charter.

Since the Iraqis made their fateful mistake of attacking Iran in 1980, King Hussein has made it no secret that for him the threat of Ayatollah Khomeini's militant Shiite Persian expansionism is a greater one to the majority of Arabs than Israel. That is why the king is Iraq's staunchest Arab supporter. He was prepared to take on the much bigger and better equipped Syrian army, when Syria sided with Iran and deployed troops near Jordan's supply lines to Iraq in 1980.

Jordan has kept military advisers in the Arab Gulf states. Gulf societies and economies, wounded by the falling world oil market, are showing cracks under the continuing strain of giving Iraq hundreds of millions of dollars every year to keep its war against Iran going.

Syria, Iran's main arab ally, is also feeling great economic stress. Iran interrupted deliveries of cheap oil because Syria had not paid for past deliveries since 1982 — although it may have resumed them during the past few days to help stave off a new Iraqi-Syrian deal.

Shortages of cash — and now of food and other commodities as well as short electric energy supplies — trouble Syrian industries, farmers and housewives. Syria has little oil and must import more than it exports. However, Pecten International, an American affiliate of Shell Oil, has struck light good-quality crude oil in northern Syria. Syria should soon be earning some precious foreign currency by exporting it.

The writer, a London-based staff correspondent for ABC News, specializes in his books and reporting on the Middle East and North Africa. He contributed this comment to the International Herald Tribune.

Challenge to Aquino In the Countryside

By Haleh Wunder

BACOLOD, Philippines — In the new Philippines, the proud voices of "People Power" in Manila are mixed with the death rattles of starving children on the island of Negros. The scenes at overcrowded feeding centers in Bacolod are painfully reminiscent of Ethiopia, a stark contrast to the images of Imelda Marcos's wardrobe and other excesses, and of Negros's fertile soils and favorable climate.

The human tragedy in Negros cries out for attention. Not only because 210,000 children are suffering from severe malnutrition and need immediate care, but also because Negros raises important questions about the future of the entire rural Philippines, where 70 percent of people live in abject poverty. The events and policies that have led to the crisis on this island signal the need for a change of direction in the Philippine economy. Also at stake are the democratic principles that the new government has promised to respect and enforce.

Obviously one cannot expect sweeping changes from a government that has been in power for scarcely more than 100 days. But the country's newly won freedom seems far from the hearts and stomachs of the people in the countryside who live in backbreaking poverty and have long suffered abuses from the military.

Visiting the islands of Negros, Mindoro, Palawan and Bicol, I began to understand the full meaning of dictatorship, the human impact of too much power in the hands of one man and his cronies. I began to grasp the injustice of a system that has left 69 percent of Filipino children underweight for their age, and 73 percent of the entire population with below-poverty incomes.

In talking with farmers, farm workers, landowners, government officials, leaders of mass organizations and social workers, I began to see that the extreme rural poverty is not simply a result of Mr. Marcos's infamous corruption. It has to do with the structure of the Philippine economy, a system grossly manipulated by Mr. Marcos, reinforced by U.S. economic aid and ripe for excessive corruption.

Take the example of Elena, about 40 years old and a farm worker on a sugar plantation outside Bacolod. Like hundreds of other sugar workers, she is hired by the plantation owner, who pays her 11 pesos (about 55 cents) a day for 10 hours of strenuous work. The legal minimum daily wage for agricultural workers on plantations is 39 pesos, but this is not enforced. Elena and her family do not enjoy such benefits as housing, education and health care.

This year the collapse of the Philippine sugar industry has left Elena and thousands of other workers in an even more vulnerable position. While the production cost of a pound of sugar is 14 cents in the Philippines, the world market price is only 6 cents. Sugar workers are being laid off by the thousands, bringing the total number of unemployed able bodies on the island to 250,000. With no other source of livelihood, Elena runs the risk of losing her grandchildren to feeding centers back in Bacolod City.

This crisis has been created by an inequitable land ownership pattern, total dependence on an export crop subject to price fluctuations beyond the country's control and a political-military structure that has suppressed the legitimate demands of workers for improved conditions. The rest of the Philippines is in danger of falling into similar crises if the prevailing cycle of poverty is not broken.

The new finance minister, Jaime Ongpin, acknowledged the crisis in the countryside in a recent newspaper interview. He added that "we don't have a lot of time."

Mr. Ongpin's economic plans call for dramatic increases in agricultural production. But who will benefit from higher production? At one time, between 1977 and 1982, through the introduction of "Green Revolution" technologies, the Philippines even exported rice. However, the average yearly grain consumption per Filipino actually decreased between 1972 and 1982. The high cost of Green Revolution seeds and fertilizers has placed rice beyond the reach of many of the farmers who produce it. And landlessness remains a source of economic insecurity among peasants.

Landless tenants often mortgage up to 60 percent of their total harvest toward rent. In addition, farmers have to pay increasingly high prices for irrigation, rental of farm machinery and imported agricultural inputs. The cost of production far exceeds the price farmers receive for their products. In the Magsaysay region of Mindoro, farmers still have to pay for water even though the pipes from a Marcos-delivered irrigation scheme provide no water during the dry season. To make matters worse, the pricing system instituted under Mr. Marcos established such unattainable quality standards that farmers are forced to sell rice cheaply to middlemen, who resell it for big profits. This system of institutionalized robbery has thrown peasants into a vicious cycle of bankruptcy and debt.

Any move toward increased production must take these realities into account. Experience under Mr. Marcos has demonstrated that without mechanisms for equitable distribution of agricultural resources and revenues, increased production does not necessarily lead to increased prosperity for the majority. Mr. Marcos's agricultural policies resulted in profits for the large landowners who could afford the high price of inputs, and for those corporations that manufacture and export seeds, fertilizers and farm machinery to the Philippines. The rural population is waiting to see whose interest the Aquino government will choose to represent.

Addressing the root cause of poverty is not merely an act of justice. It is an economic necessity for a country with a $2.2-billion balance of payments deficit and a $26-billion foreign debt. The new Philippines does not have much room for error.

The writer is director of the West Coast office of Oxfam America, the international development and disaster relief agency. He contributed this comment to the Los Angeles Times.

BY ROODBEEN in Elsevier's (Amsterdam). C&W Syndicate.

The Church Retires to the Background

By Felix B. Bautista

The writer is editor of Veritas, a biweekly newspaper in Manila, and a spokesman for Cardinal Jaime Sin.

MANILA — From his rented beachfront house in Honolulu, deposed President Ferdinand Marcos alleges that the election campaign of his successor, Corazon Aquino, was financed by the Philippine Catholic Church which gave her $30 million.

Cardinal Jaime Sin, archbishop of Manila and leader of a church that claims the spiritual allegiance of more than 80 percent of the country's 55 million people, has called the charge "a brazen lie." For most Filipinos, Cardinal Sin has credibility, while Mr. Marcos does not.

But if the church did not finance Mrs. Aquino's campaign, it did help in three significant ways during the election and in the almost bloodless revolution that brought her to power.

• When Mr. Marcos, sensing that he was in danger of losing, let loose a floodtide of money to buy votes, the bishops issued a pastoral letter advising voters that money given by a candidate did not oblige them to vote for that candidate. "An immoral contract is not binding," they said.

• When counting began and it became clear that Mr. Marcos had pulled out all the stops to steal victory, the bishops issued a statement denouncing the "unparalleled fraudulence" of the election and stating that the Marcos government had no moral basis on which to govern.

• After Defense Minister Juan Ponce Enrile and General Fidel Ramos broke away from the Marcos regime in a move that triggered the revolution, they were in real danger of being wiped out until Cardinal Sin, in an appeal broadcast repeatedly through the night, urged people to leave their homes and protect the beleaguered rebels.

Considering the strong influence demonstrated by the church in recent events, an observer could easily conclude that Filipinos are not averse to seeing priests involved in politics.

Cardinal Sin disagrees. He takes exception to the statement that the Aquino-Marcos contest was a purely political exercise. "It was a fight between the forces of good and the forces of evil," he says, "a fight between the children of the light and the children of darkness. In such a fight, the church could not be neutral. How can I be neutral in the face of evil?"

The history of the last 50 years shows that Filipinos take a dim view of church interference in politics. No priest or bishop of any denomination has won national office. Gregorio Aglipay, head of the Philippine Independent Church and the only bishop to have run for president, wound up a dismal third in 1935.

In 1964, when Mr. Marcos first ran for president, Cardinal Rufino Santos, archbishop of Manila, bought full-page advertisements in leading newspapers urging Catholics to unite against Mr. Marcos. The electorate showed the cardinal what it thought of his sortie into political matters by voting overwhelmingly for Mr. Marcos in an unprecedented landslide.

If the Filipinos were so opposed to church involvement in political affairs, how does one explain their turnaround this year?

During the martial law years, from 1972 to 1981, people were petrified by fear because of wholesale arrests and mysterious disappearances. Only the church dared to raise its voice in protest. In 1973 the bishops condemned a "climate of fear." In 1974 they formally instituted what they called a "policy of critical collaboration," a policy that speedily became more critical than collaborative.

Cardinal Sin denounced the torture and protracted detention without charges of political prisoners. It was he who, after the assassination of Mrs. Aquino's husband, Ninoy, kept the spirit of protest alive with hard-hitting speeches and homilies.

Today, with ex-President Marcos in ignominious exile and his successor firmly in the saddle, what role will the church play? Perhaps surprisingly, although President Aquino is known to consult Cardinal Sin now and then, she is opposed to any form of church meddling in purely state affairs. The cardinal agrees.

"It is the role of the laymen to restore the temporal order," he said in a recent speech. "The church comes in only when the laymen are unwilling or unable to assume leadership." From here on, he said, the church would be content to stay in the background as "a supportive and unobtrusive presence."

International Herald Tribune.

Reagan: A Hard Act To Follow

By David S. Broder

WASHINGTON — It has been said so often that it has become a cliché: Pity the person who succeeds Ronald Reagan as president. What a tough act to follow!

That has been evident for a long time, as far as the ceremonial duties of the presidency are concerned. When it comes to a patriotic occasion, a memorial service or a religious observance, Mr. Reagan's words and bearing speak eloquently for the American nation. He has set a standard that will be hard to match.

But as we approach the final quarter of Mr. Reagan's White House service, it becomes clear that he will also be a tough act to follow in several more substantial and worrisome ways. It is increasingly obvious, for example, that he is going to leave it to his successor to curb the rampant red-ink spending that has been the hallmark of his administration. Last week the White House rebuffed the latest in a five-year sequence of Senate Republican efforts to reverse the continuing tide of budget deficits.

The chairman of the Senate Budget Committee, Pete Domenici of New Mexico, and his colleagues offered President Reagan a compromise that would provide the increased military spending that Mr. Reagan demands — if he agrees not to veto the revenues needed to pay for it. Nope, said Mr. Reagan, I want it all my way: more defense dollars and no taxes. So the budget impasse continues.

Note that the current stalemate involves the fiscal 1987 budget, which controls spending until 15 months before the end of Mr. Reagan's second term. It is clear that he is going to punt this problem to his successor.

And that person's hands will be tied by the effects of eight years of spend-now-pay-later fiscal foolishness. The bills will come due with interest — the mounting interest on a national debt that has more than doubled during Mr. Reagan's tenure.

How much more it will grow in the 30 months Mr. Reagan has left can only be guessed, but indications are that the administration has once again underestimated the deficit for this year and next, so the news is likely to be worse than we know.

Another Reagan legacy will be the frustration of those followers who voted for him twice in the belief that he would deliver the policy changes on abortion, prayer in schools and other social issues that they ardently desire. They have received little but lip service from this administration.

Yes, Mr. Reagan has appointed hundreds of conservative judges. But in the sixth year of his tenure the Supreme Court has again affirmed, by a 5-4 vote, women's right to terminate pregnancies. And it has left intact the constitutional barrier against state-sponsored school prayer.

Reaganites may throw the "blame" on those superannuated justices who are too stubborn to resign or die. But what will stick in the throats of true believers and come back to haunt his successor is the fact that Mr. Reagan has repeatedly made plain that the social-issue agenda always takes second place in his priorities.

In 1981 he persuaded the prayer and abortion constituencies that his economic program had to come first. They swallowed hard, but agreed. Five years later, guess what? Economics still trumps morality.

When Senate passage of the tax revision bill was threatened last week by the prospect of protracted debate on a suggested anti-abortion amendment, Mr. Reagan persuaded the amendment's sponsors to withdraw it. He can get away with that tactic, just as he can get away with doubling the national debt, because none of his supporters thinks him capable of duplicity. He projects such sincerity that he is rarely accused of hypocrisy. But at some point those who have gone along with him are likely to say, "The rhetoric is wonderful, but when do we see results?" If Mr. Reagan escapes that rude question, his successor is not likely to be as lucky.

The backlash will be greatest if that successor is a Republican — be it George Bush, Paul Laxalt, Jack Kemp or Bob Dole — who has tried to identify closely with Mr. Reagan.

But it will not be just conservative Republicans who will have to confront that uncomfortable legacy. The deficits will make it difficult if not impossible for a liberal Democratic president to attack unemployment, improve education or reduce America's growing economic inequality. And the frustration of Reagan's social-issue constituency will fuel continuing controversy and civil strife on those emotional issues.

He really is a tough act to follow.

The Washington Post.

LETTER TO THE EDITOR

Not Only Birth Control

Regarding "African Leaders Back Programs for Change" (May 29):

James H. Scheuer's opinion column placed too much emphasis on population controls as the most needed reforms and hinted that these were a precondition for development. Plans for reducing the population growth rates of African nations are treating the symptoms of the disease, failing to diagnose the real cause.

Poverty has bred abnormally high birthrates in most African nations. After the slave trade removed so many males, the continent was underpopulated. That led to the present conditions of impoverishment and thus the high natural birthrates.

Compared to other areas of underdevelopment, Africa still enjoys the most favorable land-to-person ratios. It must be remembered that African nations are predominantly rural-based, and this alone can prevent any meaningful introduction of birth control. How can the concept of birth control be spread throughout a continent of hundreds of tribes, each with its own set of customs and values, when the Western world, with its vast lines of communication, education and advertising, is still undecided as to the moral and medical implications of contraception?

The financial and developmental emphasis placed on birth control programs would have a greater impact on African people if it shifted to rural planning and development schemes. If the quality of life (health care, education and so on) improved, the need for large families would be reduced and the ability to introduce birth control programs enhanced.

Too often, the "guidance" and "gentle coaxing" described by Mr. Scheuer comes in the form of unrealistic and culturally biased rules and regulations, such as those imposed by the World Bank and the IMF. The development of Africa's rural sector could indeed pose a great threat to the North and its rigid systems of quotas and tariffs. However, if the developed world truly wishes to help, this risk would seem trivial, especially with memories of Ethiopia's starving millions vivid in the minds of many.

TIM COLBY.
Burlington, Ontario.

IN OUR PAGES, 75 AND 50 YEARS AGO

1911: Big-Game Women

PARIS — [A Herald editorial says:] "Woman as a marksman is usually depicted with both eyes tightly closed and with a death grip on a dainty firearm which could scarcely do any damage. To imagine her as a big-game hunter seems a far cry, but that is just what woman, personified in Mrs. Royal Phelps Carroll, of New York and Newport, and her daughter, Miss Dorothea Carroll, has made a reality. With Mr. Carroll these intrepid women have left for hunting grounds near the equator. Mrs. Carroll and her daughter believe that women have as much right as men to enjoy the great outdoors. Those who know them say they are well qualified to hunt the lion and the tiger in his native jungle. Mrs. Carroll is a clever shot. Miss Carroll is as proficient as her mother with the gun. No doubt others will follow their example."

1936: Sanctions to End?

LONDON — The British Cabinet has decided not only to lift sanctions [against Italy for invading Ethiopia] but to assume the lead among the nations lifting them at the League of Nations in Geneva on June 30. Foreign Secretary Anthony Eden will take the floor in the House of Commons [on June 17] to justify the Cabinet's decision. The line which Mr. Eden will take is based on the illegality and impracticability of continuing sanctions under the Covenant after an aggression has succeeded. He also will allude to the danger to European peace in allowing Italy and Germany to draw closer together. A great majority of the Conservatives and their allies are in favor of abolishing sanctions, not only against Italy, but extirpating them from the League Covenant. With their 250 majority the vote may be a steamroller affair.

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محمد امين للأصول

INSIGHTS

In Ravaged Beirut, the Little Things Matter

By Nora Boustany
Washington Post Service

BEIRUT — No matter how bad it is, each day that passes is precious to residents of West Beirut because they fear that tomorrow may not have as much to offer.

"After each day is over, I am thankful, and I wonder whether I will see another one like it," said Qassem Hammoud, a newspaper vendor, with the resignation and seemingly irrational attachment of those who still live in predominantly Moslem West Beirut.

To anyone who has known it, Beirut — especially its western part — is a wilted, abandoned city.

Those who remain here derive strength from landmarks they have chosen in their daily lives as signs of continuity: a neighborhood flower shop, for example, that always has an extra rose or a "gardenia for the pretty lady," the same pot-holed route home, a juice van on the seafront corniche, a face associated with the past or even a broken window.

George Ayyoub, a Christian university professor, recalls how he used to dread walking down Hamra Street, a main shopping thoroughfare, "because there were so many people I had to greet on the way." But times have changed. "Now, I have to strain my eyes to spot a familiar face," he said, "and when I do, even if it is someone I don't know personally, I feel reassured."

Beirut has been taken over by strangers who feel more at home than its original residents. Once alienated by a world of shiny shopping displays, beautiful women and intellectuals moving from cafés to movie theaters on Hamra, Shiite Moslem refugees driven north by Israeli invasions and attacks have made Beirut their village.

Living in bombed-out apartment buildings, hooked up illegally to power lines, deprived of proper medical care and sanitation, these families have tried to establish themselves in a city that was inaccessible to them in the past. It is still a place many of them cannot afford. Foul-smelling piles of uncollected garbage attract scavengers looking for bits of food, paper or shredded clothing.

On Sundays, droves of less-fortunate Beirut residents haul children, elderly aunts, deck chairs and water pipes to set up their own makeshift cafés by the sea. Nuts, dried fruit, cotton candy and garlands of jasmine are sold on pushcarts. Backgammon games keep the men busy, while the women rest in the shade.

Frederic Neema/Reuters

A boy wheeling his bicycle past a building in West Beirut destroyed in fighting between Sunni Moslem militiamen and their Shiite and Druze opponents.

THIS is only a scene for peaceful days; when fighting breaks out, even the militiamen clear off the corniche, a palm-lined promenade and avenue overlooking the Mediterranean.

Most foreigners have been evacuated from West Beirut. A few embassies are still open, usually staffed by a skeleton crew of Lebanese, although some East European diplomatic missions have kept their own people. The flight of Christians, Armenians and middle-class Moslems has drained Beirut of its usual bustle and dynamism.

Daily survival is not merely a matter of dodging bullets, outwitting kidnappers or making it safely back home. Once-comfortable families can barely make ends meet. The income of workers in the services sector, once Lebanon's most productive, has been slashed by two-thirds — if they still have a job — while the prices of basic commodities have quadrupled.

A receptionist at the Commodore Hotel, whose monthly take-home pay in 1982 was 8,000 to 10,000 Lebanese pounds (then $1,800 to $2,200) now earns no more than 2,400 to 3,000 Lebanese pounds, which, in the slumping currency, has a current value of only $70 to $85.

In its heyday, the hotel prospered as a nest for foreign correspondents who flocked to it like birds before the coming of a storm. Recently, its only occupants are a Korean businessman and two Lebanese whose houses were damaged in recent fighting. The management has had to lay off 60 members of the staff of 120 and is thinking of putting the rest on half-pay.

"I have not been able to afford meat or milk," complained Hassan, the receptionist, still immaculately dressed. In a country where 80 percent of all consumer goods are imported, the local currency has tumbled to its lowest exchange rate ever, losing 50 percent of its value against the U.S. dollar in less than a year.

A cup of Turkish coffee, a symbol of Lebanese hospitality and a bond of intimacy between neighbors and friends, is now a rare treat. The price of a kilogram (2.2 pounds) of coffee has soared to 240 Lebanese pounds from 60.

"Only two years ago, my salary was estimated at $1,500; now it is $300," said Jack Salameh, who works at Beirut Express, a moving company. "After 20 years of work, it is like being robbed of all the labors of my life."

Despite the hardships on the local population, Beirut is still ridiculously cheap for foreigners stout-hearted enough to take the risk. One can still buy the latest Japanese designer clothes, French champagnes and cheeses, smoked salmon, lobster and foie gras d'oie truffé. Cigars are a steal, with Davidoffs at $25 a box.

Patrick Smith, owner of Smith's Grocery on Sadat Street, said he has lost 75 percent of his clientele. "I still have the same selection," said Mr. Smith, who was born to an Armenian mother and a British father. "I go out of my way because I want to maintain a certain standard. But the proportions have now shifted drastically from luxury items to basic and staple foods. This is what people here are buying most."

"I have a store in London, Al Wadi Al Akhdar, in Marble Arch," he added. "But I still want to keep this place. I spend a week a month in the U.K. and I can't wait to get back each time. Here you have problems and there you have other problems. They are just different ones."

IN Beirut, Mr. Smith's store has been blown up four times since 1975. Shoplifting and excesses by militiamen have pushed the owner to hire six gunmen to guard the store.

"Monthly they cost me 2,800 Lebanese pounds apiece, in addition to cigarettes, coffee, extras and liabilities to third parties — people they get into fights with," Mr. Smith said with a shrug. "They are a necessary evil and I am determined to keep this shop."

"My work, my family, my workers, my wife and children are here," he said. "I also enjoy my boat. I am not bored here. It is a very full life. By the time I get to the store, solve the latest security or personnel problem, get around power cuts, fuel shortages and fit a bit of water-skiing into a war situation, I am exhausted at the end of the day and I don't need to go out."

Ramez Abu Haidar, who runs Astra Insurance Co., said he never goes out at night or to restaurants. "I have learned to live with a divided city and a restricted universe," he said.

The interest of Lebanese confined to the limited orbit of work and home in West Beirut has recently centered on the World Cup soccer games in Mexico. As shells, mortar shells and rockets crashed a short distance away in fighting last week, many Lebanese viewers were glued to their television sets, cheering and booing with each goal and foul of their chosen team. Militiamen on duty at the corniche by the sea hooked small television sets to the batteries of their cars, forgetting the war around them and joining the rest of the world for a good game of soccer.

The economic situation is foremost on people's minds. A West German banker, Willi Rellecke, one of the most loyal of West Beirut's residents, commented that after 11 years of war financed by other regional powers, the Lebanese were "now beginning to pay for the war out of their own pocket."

Despite Aid of Ecologists, Haiti Is Still Losing Ground

By Marlise Simons
New York Times Service

PORT-AU-PRINCE, Haiti — Going along a barren mountainside, a farmer stopped to point at the stones covering the slopes and fields, the valley, its dirt road and dry riverbed. "This is standard Haiti: This is erosion," the farmer said. "We have a saying that the rocks have children here."

Haiti's "rock children" are expected to multiply even faster as vegetation continues to dwindle, soil becomes more fragile and the rains keep washing the land down to the bone. Experts say that every day, bakers, rum distilleries and housewives use charcoal equal to 27 acres (11 hectares) of wood. Charcoal covers 76 percent of Haiti's energy needs.

The alarm about environmental damage in Haiti has been sounded many times. Here, as in other regions of the Third World, deforestation and erosion have assumed disastrous proportions. The government of the long-lived Duvalier dynasty was largely uninterested, and the new leaders are bogged down by continuing strikes and protests.

There are no illusions that even the best techniques could restore the Haiti that once was France's richest colony.

Since 1980, foreign donors have committed more studies, money and effort to reforestation than in the preceding three decades. This includes recent reforestation loans from the World Bank and a program of the U.S. Agency for International Development of $2.5 million a year.

Yet while the stacks of studies have grown, along with upbeat annual accounts of the millions of trees planted in the country, experts say Haiti still is losing its soil rapidly. Every year, while the population grows, arable land declines and the country produces less food. The wash of topsoil has started to silt up irrigation systems and the main hydroelectric dam.

There are no illusions that even the best techniques could restore the Haiti that once was France's richest colony. The French brought a million African slaves to clear the forests for sugar and coffee, and hauled off some of Haiti's precious woods. A procession of lumber companies followed in the 19th century. The peasantry, in need of fuel, building material and crop land, cut down most of the rest of the trees.

In the search for answers, foreign specialists no longer even talk of reforestation. "If we can just hold on to what we have today and perhaps slightly enhance the soil," an American agronomist said, "that will be an improvement over the way it is going now."

With six nations and several international lending agencies involved in soil preservation, why is Haiti, as an American report predicted in 1980, still heading toward becoming an "ecological wasteland" by the end of the century?

Some people blame poorly conceived projects and a lack of coordination among the foreign donors. "This is like the tower of Babel," a Dutch development expert said. "Everyone has a different recipe and wants to do his own thing." A 1982 study financed by West Germany said that production and distribution of seedlings, rather than their fate, seemed to be "the only criteria."

YET the experiments also show some of the frustrations and technical and social complexities that foresters are up against. When the United States paid Haitians to plant trees, it found that many people let the saplings die, ostensibly to be paid again for more trees.

A new American plan that targets individuals rather than government-run groups gets peasants to plant the fastest-growing species as a crop. The trees are meant to hold the land, and they can be cut and sold every few years as wood for charcoal, or posts.

Although it has scored some significant successes, experts say the American project is still faltering in many areas.

Of the 21 million trees distributed, millions have died. Foresters said that species were mismatched with soil types while seedlings, bred in fine nursery conditions, had tiny root balls that often could not survive in the dry, hot soil.

Many poor peasants refuse to plant trees that compete with their crops. Jean Pierre de Saint Christo, who runs a nursery in the mountains behind Port-au-Prince, said: "The peasant has five children and an acre of land. He doesn't want shade, he wants sun for his beans."

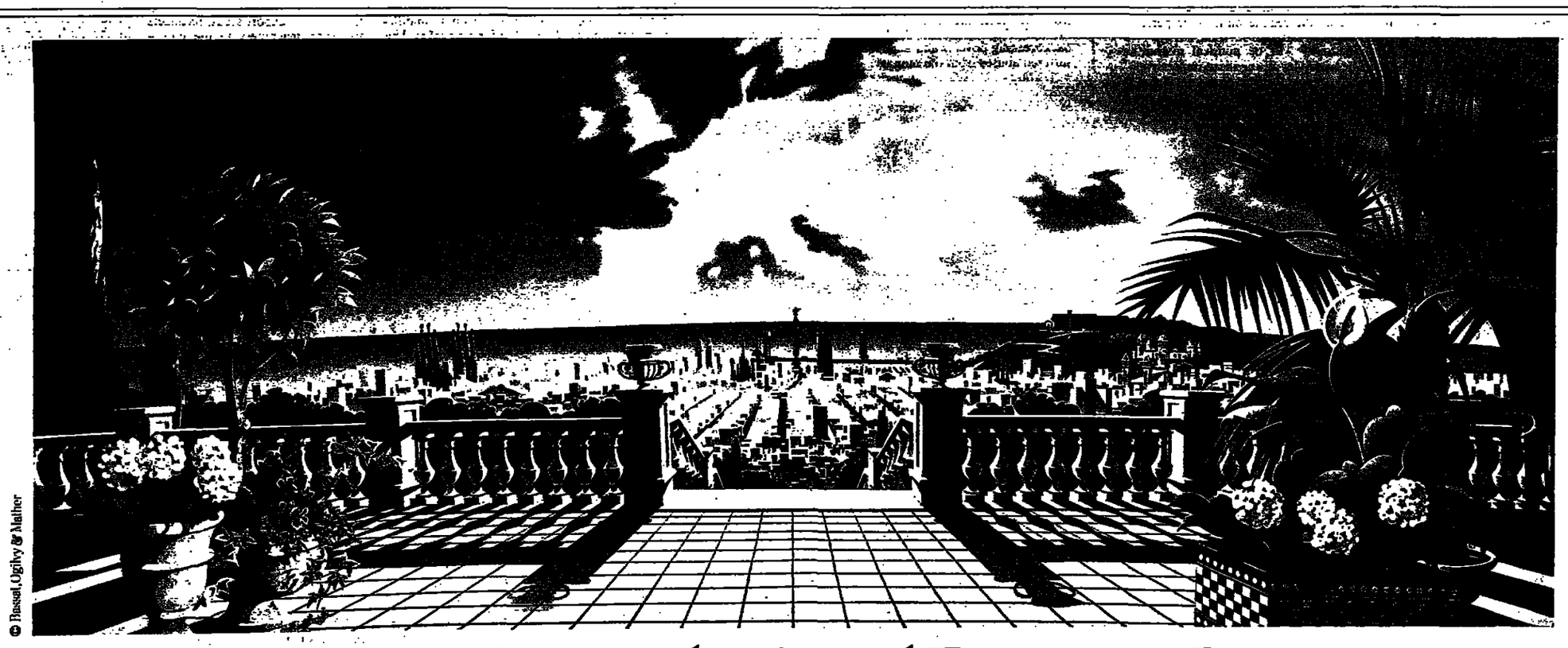
Mr. de Saint Christo said he believes he has found one solution. With the help of an AID grant, he has distributed citrus trees in 10 communities. "People relate to a fruit tree and look after it," he said. "It gives a product; it holds the soil, it has a small canopy."

He also has overcome bureaucratic objections and obtained U.S. aid to get the villages to build rock walls along the bare slopes. After 18 months, with a few inches of topsoil piled behind the limestone barriers, a first crop of congo peas has been planted this year.

Elsewhere, American development experts hope to revive a shelved program to teach farmers how to make compost to regenerate the soil. "It's very worthwhile and simple," one of them said, "but most organic waste and tons of bagasse here are burned."

Most foreign experts agree that drastic steps are needed and say the Haitian government should reforest all public lands.

"To rescue Haiti," a longtime foreign resident said, "we need civic pride, a national mystique."



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U.S. Recovering From Breakup of Ma Bell

By Andrew Pollack
New York Times Service

NEW YORK — Telephone service in the United States is gradually recovering from the confusion that followed the breakup of the Bell System two and half years ago, according to industry and government officials as well as consumer groups.

Nevertheless, some inconveniences and customer confusion remain and certain aspects of telephone service might never be as good as before the breakup, many experts say.

Consumers now have to deal with separate companies for their local and long-distance service and they may have purchased their telephones from still another company, leaving it up to the individual to determine whom to call for repairs when there is a breakdown.

However, dire predictions by phone industry executives, government officials and consumer advocates that local rates would double or even triple — forcing telephones out of many homes — have not come to pass.

The main problems continue to be obtaining new service and having repairs performed.

Businesses generally find that it takes longer to have such services as private lines and WATS lines installed, because several phone companies must now be involved in filling such orders. WATS stands for Wide Area Telecommunications Service.

And while installation has improved since the months immediately following the breakup of the Bell System on Jan. 1, 1984, it is still not as fast as it was before then, according to business users and the American Telephone & Telegraph Co.

The physical quality of telephone transmissions, by contrast, does not seem to have been affected. Some customers suspect that they now are more likely to have a call blocked because all circuits are busy or to experience static on the line, but available data indicate that the quality of transmission remains as high as it was before and, in some cases, higher.

Government officials who monitor phone service say that, over all, they have seen no signs that the phone system has deteriorated.

"We've seen nothing to suggest the industry isn't doing its job in giving good quality of service," said Susan O'Connell, legal assistant to the chief of the common carrier bureau of the Federal Communications Commission.

Since AT&T spun off its seven regional operating companies, local rates for residential service have increased an average of 45 percent, by one estimate. While that has been substantially more than the rate of inflation, Census Bureau statistics show that there has been no decline in the number of households with telephones — even among households with yearly incomes of less than $5,000.

The reasons are numerous: Federal regulators have delayed shifting more costs from long-distance to local service; states have been reluctant to grant all the rate increases requested; and phone companies have cut costs and, in effect, subsidized some of the cost of basic phone service with income from special services.

Some phone users and industry experts contend that the competition fostered by the Bell breakup has proven beneficial in several ways.

Following the divestiture and other industry deregulation, there has been increased competition in long-distance service, forcing rates down, and in providing customer equipment, they note.

Even local telephone service has seen the beginnings of competition from technology that allows big customers to bypass the local phone system. Accordingly, some customers maintain, a number of telephone companies have become more attentive to their needs.

"You could wait days for repairs of lines and now it's a matter of hours," said the telecommunications vice president of a California retailer. "If you're the only game in town, there isn't the necessity to be so responsive."

In fact, state regulatory commissions generally have not found an increase in the number of complaints about phone service.

Nonetheless, many consumer groups say that, in general, it is now more cumbersome to obtain new service and repairs.

Consumers once merely had to get in touch with the local phone company, which would install whatever lines were needed and repair any problem. Now, the phone is rented or purchased from AT&T or another phone manufacturer. If the local phone company is called in to make repairs and determines that the problem is in the phone, not in the line, the customer will be charged for the visit — and the phone will not be fixed.

Consumers also find it difficult to choose long-distance services and to adjust to the new system, according to consumer groups. They are being asked to designate a long-distance company as their primary carrier. If they do not choose, they are assigned a carrier by the local phone company.

President Reagan talking with Afghan rebels, including Burhanuddin Rabbani.

Associated Press

Afghan Rebels Meet With Reagan And Urge Him to Break Kabul Ties

By David Hoffman
and David B. Ottaway
Washington Post Service

WASHINGTON — Afghan resistance leaders have asked President Ronald Reagan, in a meeting, to break diplomatic ties with the Kabul government and to extend full recognition to the resistance, but Mr. Reagan said such as step would be "premature," according to the Afghans and White House officials.

Larry Speakes, the White House spokesman, said after the meeting on Monday that Mr. Reagan believed that U.S. diplomatic representation in the Afghan capital "plays a role in our efforts to be helpful to the resistance and our efforts to continue working with the Afghan people" against the Soviet presence.

He added that the Afghans had requested more potent defensive weapons.

At a news conference by the resistance leaders, Senator Gordon J. Humphrey, a Republican of New Hampshire, and Representative Charles Wilson, a Democrat of Texas, said Mr. Reagan should support establishment of a government in exile by a guerrilla alliance.

They said the president also should push to seat such a government in exile at the United Nations in place of the Communist government in Kabul.

But a spokesman for the resistance leaders, Burhanuddin Rabbani, said the group did not intend to establish such a regime at present but instead would try to set up a government in guerrilla-held areas.

"If this is not possible we will announce a government in exile," he said.

Another leader, Sebqatallah Mojadedi, said a key factor in deciding whether a rebel government could be established in Afghanistan was whether the resistance received sufficient anti-aircraft weapons to protect its bases from air attack.

According to Mr. Speakes, the leaders, describing Soviet attacks on Afghan villages, appealed to Mr. Reagan for "effective weapons for air and ground defense." Mr. Speakes said the president had "pledged to support" the resistance, but would not comment further on the extent of U.S. aid.

Officials have said the United States is providing about $500 million a year to the guerrillas.

Unconfirmed reports in guerrilla support groups here say that the United States has sent 300 shoulder-fired Stinger anti-aircraft missiles and 150 launchers.

Press reports suggested recently that the first batch of Stingers had arrived in Pakistan, en route to the Afghans.

But a resistance leader, Ahmad Gailani, said the guerrillas had not received the Stingers.

Mr. Rabbani and the others are leaders of a new alliance representing seven rebel factions and an estimated 50,000 guerrillas.

In a statement after the 35-minute White House meeting, Mr. Reagan reaffirmed support for the Afghan struggle: "It is an unshakable commitment. Your goal is our goal — the freedom of Afghanistan. We will not let you down."

Mr. Reagan expressed hope for a "negotiated end to this war," but said that "only an agreement that has the support of the Afghan people can work."

He called the alliance "the true representative" of those people.

Mr. Reagan also noted that the people and government of Pakistan have carried "a large share of the burden of Soviet pressure and intimidation."

■ Afghans Conscript Youths

Youths as young as 15 are being conscripted into the Afghan Army and military units are rounding up evaders as part of an effort by the Kabul government to strengthen the armed forces, The Associated Press reported from Islamabad, quoting diplomatic sources.

Guerrilla officials in Peshawar, Pakistan, near the Afghan border, have said in recent days that the government planned to double its military and security services, to about 200,000 men.

The Western sources also said the guerrillas were finding it more difficult now to launch rockets against Kabul.

China Opens Tomb, Finds Thieves Got There First

By John F. Burns
New York Times Service

BEIJING — An ancient tomb that archaeologists had described as one of the most significant discoveries ever made here has been opened and found to be virtually empty, apparently because a gang of grave-robbing gamblers made off with its contents at least 700 years ago.

"Archaeologists drew almost a complete blank in their search of the inner tomb," the official news agency Xinhua said last weekend in reporting on excavations at the tomb.

The tomb, which is thought to be 2,200 to 2,800 years old, is in Fengxiang County, Shaanxi province.

Instead of precious relics of the type usually found in such tombs, the press agency said, diggers found only pieces of bone, shreds of clothing made from silk and flax, and gambling implements of the kind popular in the Tang and Song dynasties, from the seventh to the 13th centuries.

The agency said the items indicated that "the grave robbers were most probably gamblers."

At an earlier stage of the excavation, archaeologists said they believed that the tomb was that of Duke Jing of Qin state, which existed between the ninth and third centuries B.C.

But the Xinhua report said that close examination of 2,000 objects found earlier in an outer part of the tomb had not even confirmed the occupant's identity.

Considerable excitement had surrounded the opening of the inner part of the tomb, which began in April after nearly 10 years of preparatory digging.

Excavators said the tomb was an inverted pyramid that was far larger than any previously discovered tomb from that era. It was almost as large as a football field, which is 100 yards (91 meters) long, at the surface, and was more than 80 feet (24 meters) deep.

The tomb offered other evidence that its occupant was a major figure of Qin state. In an outer burial chamber, archaeologists found 180 coffins containing slaves who were immolated to serve the dead nobleman in his afterlife.

The coffins were numbered with red Chinese characters. In addition to the skeletons of men and women, they contained tools, dyes, jewelry and objects fashioned from gold, jade, bronze and lacquer.

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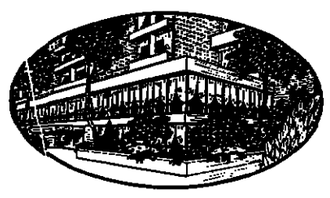

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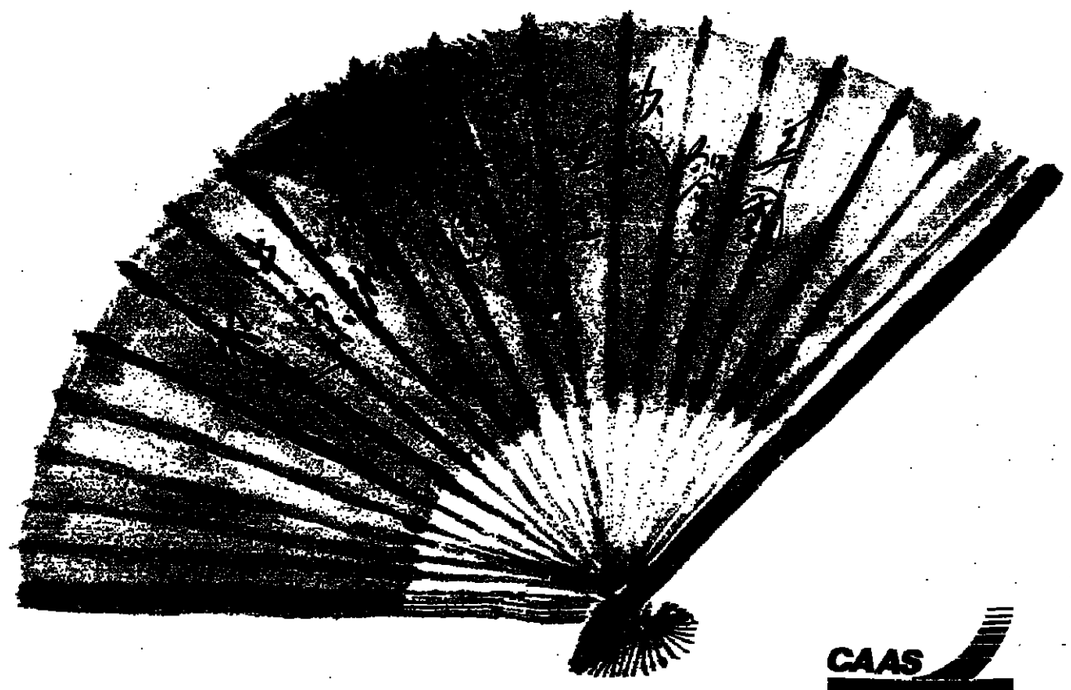

CAAS
Civil Aviation Authority of Singapore
SINGAPORE CHANGI AIRPORT
THE AIR TRAVELLER'S HAVEN

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Tanker War Is Standoff So Far

Iran, Iraq Fail to Interrupt Each Other's Oil Shipments

By Jonathan C. Randal
Washington Post Service

MANAMA, Bahrain — Although Iran and Iraq are intensifying the tanker war in the Gulf, each has failed to deprive the other of enough oil revenue to force an end to the larger conflict on the ground, which erupted in September 1980.

The naval war, now in its third year, has been stepped up, with the combatants doubling the number of ships hit, varying their tactics and weaponry, and expanding combat zones.

Iraq's original objective, using Super Etendard aircraft from France, was to strangle Iranian oil exports by either knocking out the giant Kharg Island oil terminal in the northern Gulf or sinking tankers loading there.

In the glutted international oil market, with the No. 1 oil exporter, Saudi Arabia, still unsuccessfully trying to impose its sales limitation scheme on other producers, the outside world has absorbed the escalation in violence complacently.

So far this year, almost as many unarmed merchant ships have been hit as the 46 damaged throughout 1985, with a record 15 vessels attacked in March alone. But no large, fully laden tanker has been sunk yet.

More worrisome to Gulf states and foreign diplomats is that, in April, Iran began to strike shipping in the lower Gulf, close to the strategic Strait of Hormuz, 32 miles (about 50 kilometers) wide, that leads to the Gulf of Oman and open water.

The United States and other Western naval powers, such as Britain and France, are on record as determined to use force to keep the strait open to international shipping. The U.S. Navy maintains a five-vessel force in the Gulf with headquarters in Bahrain.

After more than a month of relative calm, a new Iranian helicopter attack was reported over the weekend. Shipping sources said that an American-designed Iranian helicopter used a wire-guided French AS-12 missile in a daylight attack on the Greek tanker Koriana. The attack took place only 10 miles off the coast of the United Arab Emirates and 25 miles from the strait.

Meanwhile, shipping sources reported that Iraq has copied Iran's use of helicopters, attacking tankers running the gauntlet between the still-functioning Kharg terminal and Sirri Island, out of hostile aircraft range 350 miles to the south.

The sources said that long-range, land-based helicopters of apparent French construction were used last week in the attack south of Kharg against the 343,000-ton Liberian-registered Medusa.

The tanker belonged to the fleet chartered by Iran over the past 18 months to shuttle oil from Kharg to Sirri, where commercial customers take on crude from supertankers acting as floating storage tanks.

Desperately short of serviceable fixed-wing combat aircraft, Iran pioneered the use of helicopters in the naval war early this year.

At first, helicopters were stationed on two disused offshore oil rigs located off Qatar and close to the main routes for tankers heading north for Kuwait and the Saudi oil terminal at Ras Tannura.

The reason behind Iraq's apparent use of helicopters against Iranian-chartered tankers remained unclear. Shipping sources speculated that helicopters could surprise their tanker prey and escape detection by flying under Iran's radar, based on the mainland at Bushehr. They also could mask their presence behind Kharg Island's silhouette.

The shipping sources also speculated that cheaper, less sophisticated weaponry could be used more effectively from helicopters against tankers than the French-manufactured Exocet air-to-ship missiles fired from afar.

With no end of the war in sight, shipping sources are concerned that the Iranians might start night attacks. Unofficial convoys have been steaming through the strait at night in an effort to make Dubai by dawn, to avoid the Iranians.

The second night they make for Ras Tannura or Kuwait on the theory that Iran has not attacked in that northern stretch of the Gulf since Saudi Arabian jets shot down one, and possibly two, U.S.-built Iranian F-4 Phantoms in May 1984.

So far, the small states of Qatar and the United Arab Emirates in the lower Gulf have shown no readiness to commit their air forces to ward off Iranian marauders, apparently in fear of angering the Tehran government.

HU IN PARIS — Hu Yaobang, the Chinese Communist Party leader, left, toured the city hall of Paris on Tuesday with Prime Minister Jacques Chirac. Mr. Chirac said they discussed economic ties and Cambodia.

N.Y. Cardinal Leaves Beirut, Fails to Contact U.S. Hostages

The Associated Press

BEIRUT — Cardinal John J. O'Connor of New York wound up a visit to Lebanon on Tuesday, saying he had failed to deliver messages to five American hostages.

"I made many queries about the hostages," he said at a news conference, "but I was unable to perform my mission of delivering the messages I carried for them from their families in the U.S."

The cardinal spoke at the Maronite Catholic Cathedral of Bikirki shortly before taking off to Rome to brief Vatican officials on the outcome of his talks.

Cardinal O'Connor arrived in Lebanon on Saturday and met with various religious and political leaders in Christian Beirut.

He also crossed Beirut's dividing Green Line for a two-hour meeting with Sheikh Hassan Khaled, spiritual leader of the militarily weak but economically powerful Sunni Moslem community.

Meanwhile, Shiite Moslems and Palestinians were locked in fresh battles as their renewed war for control of Beirut refugee camps moved into a fifth week. The battle has claimed 133 lives so far.

Mortar duels broke out across the Green Line line as Christians and Moslems shot at each other overnight, killing one civilian and wounding four. A cease-fire was called at daybreak, the police said.

On Tuesday night, a Moslem group freed two Christian hostages in West Beirut in a move aimed at winning freedom for 2,200 Moslems being held in the conflict.

The hostages were left blindfolded at the entrance to the independent Beirut newspaper An Nahar.

■ Vatican Explains Trip

E.J. Dionne Jr. of The New York Times reported earlier from Rome:

The Vatican said Monday that Cardinal O'Connor's visit to Lebanon was not part of a Vatican peace mission but rather was intended to show solidarity with the country's besieged Maronite Christians.

Joaquin Navarro Valls, the Vatican spokesman, said the visit was part of the cardinal's work as president of the Catholic Near East Welfare Association, and was also on behalf of the Roman Catholic Bishops Conference.

The spokesman confirmed that Cardinal O'Connor would pass through Rome on his way to New York and probably would meet with Archbishop Achille Silvestrini, secretary of the Council for the Public Affairs of the Church.

Archbishop Silvestrini has sought in recent months to play an intermediary role in promoting negotiations in Lebanon.

Vatican officials said that the church's main worry has been over the growing isolation of Lebanon's Christians, notably the Maronites.

Last February, President Amin Gemayel of Lebanon, a Maronite, visited Pope John Paul II and asked him to intervene with Syria to promote negotiations between Mr. Gemayel and the Syrian government.

Relations between Mr. Gemayel and President Hafez al-Assad of Syria were strained after Mr. Gemayel backed a revolt by a wing of the Christian Phalangist militia against a Syrian-sponsored accord among the country's militia forces.

Cardinal O'Connor has a long-standing interest in Lebanon. When he went to Rome in 1985 to be consecrated as a cardinal, he met with Lebanese Christian leaders and said he was very concerned about the fate of the Lebanese Christians.

Rehnquist and Scalia, Conservatives on the Law

United Press International

WASHINGTON — The two men proposed Tuesday for new positions on the Supreme Court have strong backgrounds as conservative jurists.

William H. Rehnquist

William Hubbs Rehnquist, 61, who will be nominated as chief justice of the court, has been the champion of conservatives since he was named to the Supreme Court by President Richard M. Nixon in 1972.

Mr. Rehnquist is a Phi Beta Kappa graduate of Stanford University, obtained an M.A. in political science at Harvard University and returned for his law degree at Stanford, where he was first in his class.

Unlike some justices, such as Earl Warren, whose legal views became more liberal after testing their new power on the court, Mr. Rehnquist has remained true to his conservative ideology.

He has consistently favored trimming the liberal landmark decisions of the Warren court of the 1950s and 1960s and his vote has helped narrow, without completely destroying, the Warren-era protections established for criminal defendants against police and prosecutor conduct.

A chronically painful bad back, aggravated by hours of sitting erect for oral arguments, has not appeared to effect Justice Rehnquist's ability to work, although for a brief period in the early 1980s he relied heavily on drugs to ease the pain.

Philosophically, he has been too far to the right to wield power on the court, but that could change if and when he assumes the role of chief justice, especially if another vacancy on the court arises and gives President Ronald Reagan a chance to pick another conservative.

Justice Rehnquist, in a 1984 television interview, explained his conservative views:

"The Burger Court has decided some cases against claims of civil liberties that perhaps the Warren court might have decided the other way," he said. "I don't regard that as an unfortunate chipping away of civil liberties because, typically, the way that sort of charge is phrased suggests that the maximum number of civil liberties ought to be granted, which would just be recipe for anarchy that isn't called for by the Constitution."

Antonin Scalia

Judge Antonin Scalia, 50, of the U.S. Circuit Court of Appeals for the District of Columbia will, if confirmed by the Senate, reflect the values of the conservative president who named him.

Observers says he is unlikely to bend the law just to suit ideology.

Judge Scalia's record with the Supreme Court has been impressive. His opinions have been affirmed on appeal 90 percent of the time.

The McLean, Virginia, resident was named to the U.S. Court of Appeals for the District of Columbia by Mr. Reagan in 1982.

He obtained his undergraduate degree at Georgetown University in Washington and his law degree at Harvard where he was a member of the Harvard Law Review.

In the dozens of opinions written by Judge Scalia since he was named to the U.S. Court of Appeals, the Reagan administration has been the big winner.

The most recent ruling in which Judge Scalia played a part was the decision earlier this year nullifying the key provision of the Gramm-Rudman balanced budget law.

Judge Scalia was one of three judges who authored the decision declaring the law's budget-cutting trigger unconstitutional. Although the opinion was unsigned, Judge Scalia is believed to have written much of the document.

He practiced law in Cleveland, Ohio, from 1961 to 1967 at the firm, Jones, Day, Cockley and Reavis. From 1967 to 1974, he taught law at the University of Virginia Law School and subsequently taught at Georgetown, the University of Chicago and Stanford University.

During his time at the University of Chicago, he was influenced by the "Chicago School" view that the government should not hamper the free market.

A Roman Catholic, Judge Scalia is personally opposed to abortion, but has not had any opportunities to rule on the matter at the appeals court, which spends the bulk of its time resolving regulatory matters from federal government agencies.

AP

Antonin Scalia

Lady Diana Cooper Is Dead at 93

The Associated Press

LONDON — Lady Diana Cooper, 93, the English socialite celebrated by poets for her beauty and by satirists for her eccentricity, died Monday in London.

To Hilaire Belloc she had "a perfected face immutable." Cecil Beaton compared her to Helen of Troy and Cleopatra. Evelyn Waugh immortalized her as Julia Stitch, the madcap socialite.

She was born Diana Olivia Manners to the 8th Duke of Rutland and his wife, Violet Lindsay, an artist and once woman of the bedchamber to Queen Victoria.

She had the privileged upbringing of the upper classes. But her blue eyes, fragile features and eggshell complexion, along with her wit and personality, singled her out in the 1920s social scene.

Her mother hoped she would marry the future King Edward VIII. But she had plans of her own. In 1919, to her family's annoyance, she married Duff Cooper, a Foreign Office clerk. He became a lord, accomplished diplomat and author. He died in 1954. She later published three volumes of her autobiography.

She had a brief but spectacular career on the stage and screen in the 1920s, appearing in New York in a pageant called "The Miracle."

She was a friend of the royal family and was close to Edward VIII and Wallis Simpson, the American divorcee for whom he gave up his throne.

■ *Other deaths:*

Elena Fenoaltea Anderson, 56, the wife of the retired U.S. ambassador, Robert Anderson, June 4 in Washington. She met Mr. Anderson in Nanjing, where her father was Italy's ambassador to China just after World War II.

Gonraku Matsuda, 90, a master of lacquer work who was named Japan's first "living national treasure," Monday of a heart attack.

Archbishop Angelari, 75, head of the Macedonian Orthodox Church, in a traffic crash Sunday on a highway in Macedonia, the press agency Tanjug said Monday.

UPI

Lady Diana Cooper

Vote Fraud In Mexico Is Alleged

Washington Post Service

WASHINGTON — Senator Jesse Helms asserted Tuesday that President Miguel de la Madrid of Mexico was fraudulently elected in 1982 and that his party stole the legislative elections last year, covering up the fact by keeping two sets of election books, "one public, one private."

Mr. Helms, a Republican of North Carolina, said that according to documents he had obtained from sources in Mexico, Mr. de la Madrid actually received 39.8 percent of the vote in 1982, rather than the 71.3 percent he had claimed, a difference of 7.4 million votes.

The senator said that the governing Institutional Revolutionary Party coalition had received 48 percent of the vote in the 1985 Chamber of Deputies elections instead of the 71.1 percent announced, or 5.9 million votes less.

The Mexican government said the assertions were "groundless and most probably are intended to confuse public opinion."

At a hearing of the Senate Foreign Relations subcommittee on the Western Hemisphere, of which he is chairman, Mr. Helms urged the Mexican government "to open up the election process to international review and inspection." He said that Mexico "deserves no help from the international community until this is done."

An aide to Mr. Helms said that the secret documents, which were not made public, were written in the military chief of staff's office for circulation among top officials of the governing coalition.

In a statement, the Mexican government said the presidential military chief of staff "does not take any part in the Mexican electoral process" and that votes are counted with representatives of all parties present.

PANAMA: *Shake-Up Is Urged Amid Accusations Against Military Chief*

(Continued from Page 1)

Pentagon and intelligence agencies alleged that the evidence also indicated:

- That General Noriega had been tied to the killing of a political opponent.
- That for the last 15 years, he had been providing intelligence information simultaneously to Cuba and the United States.
- That he is a secret investor in Panamanian export companies that sell restricted American technology to Cuba and East European countries.

Efforts to discuss the allegations with General Noriega, both in Panama and in Washington during his visit there last week, were rejected.

Captain Eduard E. Lim Yueng, an aide in the National Defense Forces press office, denied the assertions, saying he was a spokesman for the "institution of the armed forces and for General Noriega."

He said General Noriega and the military were the victims of a campaign of slander that had no basis in fact. "These are political attacks," he said. "This campaign is trying to damage our institution."

A senior Reagan administration official would not discuss the assertions against General Noriega, saying the intelligence information could damage relations with Panama if it was viewed as a reflection of the views of the White House.

Officials in the Reagan administration and past administrations said in interviews that they had overlooked General Noriega's alleged illegal activities because of his cooperation with U.S. intelligence and his willingness to give the U.S. military extensive leeway to operate in Panama.

They said, for example, that the general had been a valuable asset to Washington in countering insurgencies in Central America, and that he is currently cooperating with the Central Intelligence Agency in providing sensitive information from Nicaragua.

However, many Reagan administration officials made it clear in interviews that the extent of General Noriega's alleged illegal activities was seen as a potential national security threat because of the strategic importance of Panama and the Panama Canal.

"It's precisely because we have long-term strategic interests in Panama, with the canal, that it's important to have reliable people we can deal with," a senior U.S. diplomat said.

According to one U.S. official, a recent classified report by the Defense Intelligence Agency asserts that General Noriega, operating through a small band of top associates in the military, maintains tight control of drug and money-laundering activities by his associates in the National Defense Forces.

"Nothing moves in Panama without the instructions, order and consent of Noriega," the official said.

While Richard M. Nixon was president, U.S. law enforcement officials who were concerned about Panama's heavy drug trafficking proposed the assassination of General Noriega, who was then chief of intelligence in the National Defense Forces, according to a Senate Intelligence Committee report.

The recommendation was rejected.

According to State Department, White House, Pentagon and intelligence sources, intelligence officials have had longstanding evidence of General Noriega's activities, including his relations with the Cuban government and his alleged willingness to sell arms to the M-19 rebel group in Colombia.

The goal of M-19, which is pro-Cuban, is to overthrow the democratically elected government.

Of the assertion concerning the M-19 guerrillas, Captain Lim Yueng, the Panamanian Army spokesman, said: "We have no information on M-19. We do all we can to avoid Panama being used as a trampoline for terrorism."

The captain also denied the existence of Cuban intelligence efforts in Panama and that General Noriega was involved in any unsavory activities with Cuba. He denied that any embargoed goods were exported to Cuba.

Recent intelligence appears to directly tie the general and the top leadership of the National Defense Forces to the slaying in September of Dr. Hugo Spadafora, one of the army's leading critics.

According to an official with inside information, the U.S. Defense Intelligence Agency also is believed to have intelligence that General Noriega ordered the killing.

In his statement, Lim Yueng said: "There is absolutely nothing in this case involving the army. Spadafora had many enemies. The institution of the armed forces absolutely denies any ties to the death of Spadafora. We criticize this crime."

Dr. Spadafora's decapitated body was found stuffed in a U.S. mailbag in Costa Rica just across the border. The killing occurred a few weeks before General Noriega ousted the civilian president, Nicolás Ardito Barletta, who was about to name an investigating commission.

General Noriega's ties with Cuba have touched off a long-standing debate among intelligence agencies.

The CIA has viewed General Noriega as an invaluable asset since the 1970s because of his ability to provide intelligence on the Cubans. He later became a valuable source of inside information on the Sandinist revolution in Nicaragua, officials said, and has used the Panamanian Embassy in Managua to collect intelligence for the United States.

At the time, it was also believed that General Noriega was supplying Cuba with intelligence on the United States and its activities in Panama and elsewhere.

U.S. officials alleged that General Noriega has amassed an enormous personal fortune through his legal and illegal activities, with much of his money believed to be deposited in European banks.

THE BREAKFAST TIME TOAST

At 9am each day the board members of James Burrough may be found making their toast.

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SPORTS

Speed, Height, Distance: Track and Field's Horizons Appear Boundless

By Frank Litsky
New York Times Service

NEW YORK — How fast is fast? It depends on whom you listen to.

In one episode of a wonderful television series of yesteryear, Batman ran a 3-minute mile. In another bit of TV fantasy, the Six Million Dollar Man sprinted at 60 mph (96.5 kph). That works out to a 100-meter dash in 3.73 seconds.

The world record for the mile is Steve Cram's 3 minutes 46.32 seconds, far faster than anything Batman could really do without the Batmobile. Although the world record for 100 meters is 9.93 seconds, the people who run near that speed don't have bodies built in the laboratory that invented the Six Million Dollar Man.

Will anyone ever run a mile in three minutes? Not in our lifetimes; but maybe in the 21st century.

There are no limits to how fast man can run or how high or how far he can jump or throw. The same holds true for women, especially because women's track and field is not nearly as developed as men's.

Sooner or later, the record-breaking that has continued for the more than 120 years of recorded statistics may pause for a breath. But don't bet on it.

After studying running records of the previous 50 years, three Cincinnati scientists, led by Dr. Henry W. Ryder, concluded that barriers were largely psychological rather than physiological.

The three men, writing in Scientific American in 1976, said that whatever the record, the body might be able to run faster if the mind accepted the record itself as the real barrier.

"There must be physiological limits to human running speed," they said, "but it certainly has not yet materialized at any distance." Ten years later, it still hasn't.

Not long ago there were all kinds of barriers and ultimates — the 4-minute mile, the 60-foot (18.28-meter) shot-put, the 7-foot high jump. Then, from 1954 to 1956, Roger Bannister ran a mile in 3 minutes 59.4 seconds, Charlie Dumas high-jumped 7 feet ½-inch and Parry O'Brien put the shot 60 feet 10 inches.

Actually, those barriers had been figures of convenience, nice round numbers that were little more than worthy goals. More was made of them than should have been.

From 1942 to 1945, Gunder Hagg and Arne Andersson of Sweden broke or equaled the world record for the mile three times apiece, usually by beating each other. They got it down to 4:01.3, and the 4-minute mile seemed imminent. But it didn't come until May 6, 1954, and Bannister's 3:59.4.

In 1967, Jim Dunaway published a 20-page booklet listing 128 races that had produced 242 sub-4-minute miles by 80 men. Stan Saplin, another track historian, said earlier this year that more than 450 men had run at least one sub-4-minute mile. (The closest a woman has come is 4:16.71 by Mary Decker Slaney last August.)

No one can know where any records will go, but it's fun to guess. If you cannot conceive of a 3:39 mile, an 8-6 high jump, a 21-6 pole vault or a 31-foot long jump, just remember the story of Brutus Hamilton.

Hamilton was the celebrated track coach at the University of California. In 1934, to amuse his team, he attempted to determine the best performances that could ever be achieved. He had Finnish physicists prepare graphs on energy, expectancy and fatigue. He applied mathematical laws dealing with psychological compensation. Then he issued his list of "ultimates of human effort." He brashly predicted such obviously unattainable performances that the track world was astonished.

Soon Hamilton was astonished. Within months after his ultimates had included a shot-put of 57 feet 1 inch, Jack Torrance of Louisiana State University put the shot precisely 57 feet 1 inch.

In 1952, with his ultimates shattered, Hamilton compiled a new list. In 1962, with only two items surviving, he compiled yet another. A year later, John Pennel's pole vault of 16 feet 6¾ inches and Adolph Plummer's 44.9 seconds for 440 yards had made two of Hamilton's newest pinnacles obsolete.

Sooner or later, the record-breaking that has continued for more than 120 years of recorded statistics may pause for a breath. But don't bet on it.

These days, once-in-a-lifetime performances seem to come once a year. In 1984, an East German named Uwe Hohn threw the javelin 343 feet 10 inches, the entire length of a U.S. football field plus one and a half end zones. The sport's astounded hierarchy promptly legislated a new javelin that wouldn't go as far thus not endanger spectators in the stands.

In 1985, Sergei Bubka of the Soviet Union pole-vaulted 19 feet 8¼ inches, exactly 6 meters. The pole-vault ultimate that Brutus Hamilton envisioned in 1934 was 15-1. Hamilton could not know that the bamboo poles of that era would be replaced by springy fiberglass that seem to bend forever and take the vaulter for a ride.

New equipment is just one reason that performances keep getting better. Track shoes are lighter and better designed. With their plastic-like surfaces, tracks are faster and truer than the pock-marked dirt and clay ovals of the past.

There are more good athletes from more parts of the world, and they know more about tactics. They can study films of themselves and others, and they benefit from computer analyses of their techniques. Coaching is better; training methods are better; athletes train harder and longer.

It is no wonder that records become fragile. Even Bob Beamon's long-jump record, probably the best in any track-and-field event, seems sure to fall.

In the 1968 Olympics, Beamon's astounding long jump of 29 feet 2½ inches was not only the first 29-foot jump but also the first over 28 feet. He was aided by the 1½-mile altitude of Mexico City because the thinner air meant less resistance to a flying body.

These days, Carl Lewis keeps getting close to that mark but never quite reaches it. He will make his next attempt at this week's national outdoor championships. Excluding performances aided by excessive wind, there have been 22 outdoor and indoor jumps of 28 feet or longer. Beamon has only one of the 22. Lewis has 18, including jumps of 28-10¼ outdoors and indoors.

Lewis thinks he can break Beamon's record. So does Beamon, who said, "I never expected the record to last this long."

"I know I can break it," said Lewis. "But everything has to be right — the weather, the runway, the wind, the takeoff."

Lewis was speaking of one event. He could have been speaking of every event. As Fred Thompson, an assistant coach of the 1988 U.S. Olympic track team, said, "I can't see one event where people can't break the world record."

Researchers Wary of Drive for Perfection

The Associated Press

NEW YORK — Athletes who push too hard can become obsessive in a drive for perfection, in which winning becomes a matter of almost life-and-death intensity, therapists say.

"There are three responses to not doing well," said Thomas Tutko, a sports psychologist at San Jose State University in California.

"There's the initial sadness, but that doesn't usually last long." The second response occurs when that sadness becomes an obsession. "You develop a fear of failure, an almost phobic fear of participating, because every loss gets more threatening," said Tutko, who has been counseling athletes for 25 years. In the extreme third case, "you become completely obsessed by it, because it is the most important thing in your life."

Said Richard O'Brien, a sports psychologist at Hofstra University: "What you have to confront with them is that that kind of obsession actually produces burn-out, not success. They can't be evaluating themselves all the time. . . . They need to play hard as well as work hard."

Ira Glick, a psychiatrist at Cornell University Medical College, noted that in the heat of competition the mental apparatus that allows athletes to cope with losing is not fully in play. "There are many athletes who are so focused on what they're doing they don't have the ability to sort out the rational alternatives," he said.

The therapists would not speculate on the possible motivations of Kathy Ormsby, the young U.S. runner who dropped out of a race on June 4 and jumped from a bridge, suffering paralyzing injuries. They did say, however, that they see many examples of competitive drive turning into destructive impulses in athletes.

O'Brien wondered whether Ormsby's drive to excel in academic work as well as athletics might not have been harmful. "It looks to me like there were no outlets at all for this kid," he said. "Everything had to be done perfectly."

Rangers' Hough Loses No-Hitter and Game in 9th

Compiled by Our Staff From Dispatches

ANAHEIM, California — You'd think a 14-year veteran would know the basics. But Charlie Hough lapsed here Monday night. Hough lost a no-hitter after 8⅓ innings and then lost the game when he failed to cover home plate on a passed ball that allowed Wally Joyner to score and give California a 2-1 victory over Texas.

BASEBALL ROUNDUP

With one out in the ninth, Jack Howell reached third base when George Wright dropped his bloop fly ball down the left-field line. Joyner then ruined Hough's no-hitter with a single to right center, tying the game.

With Doug DeCinces at bat, a Hough knuckleball eluded catcher Orlando Mercado for a passed ball that moved Joyner to second. After DeCinces struck out, George Hendrick swung and missed at a 3-2 pitch for what would have been the final out, but again the ball got away from Mercado and Joyner raced home.

"It's not his fault that we lost," Hough said of Mercado. "That's part of the game. Dumb plays — not covering the plate — are a lot worse. It was my fault. I should've been at home plate."

Red Sox 10, Yankees 1: In New York, Jim Rice, Tony Armas, Don Baylor and Rey Quinones all had three hits to help unbeaten Roger Clemens to his 12th straight vitory.

Royals 3, A's 2: In Oakland, California, Rudy Law lined an 11th-inning double off the right-field wall to drive in Willie Wilson and scored the eventual winning run on a single by Jorge Orta.

Tigers 5, Orioles 4: In Baltimore, Tom Brookens hit a three-run home run in the eighth as Detroit held on to send the Orioles to their sixth loss in eight games.

Blue Jays 9, Brewers 2: In Milwaukee, Garth Iorg drove home three runs to help Toronto with its third straight.

Cubs 7, Phillies 5: In the National League, in Chicago, Shawon Dunston hit a two-run double to cap a four-run fourth and Leon Durham added a two-run homer in the fifth to pace the Cubs.

Cardinals 4, Pirates 1: In Pittsburgh, Danny Cox scattered four hits to lead St. Louis in a game called with one out in the Cardinal sixth because of rain.

Mets 4, Expos 1: In Montreal, Darryl Strawberry singled home Wally Backman with the go-ahead run and Len Dykstra added a two-run single in the 10th to lift New York to its seventh straight victory.

Padres 4, Giants 0: In San Diego, Garry Templeton's two-run single highlighted a three-run seventh that allowed the Padres to coast home.

Braves 4, Reds 3: In Atlanta, Ken Oberkfell singled past drawn-in second baseman Ron Oester to score Dale Murphy from third base with one out in the 10th. *(UPI, AP)*

Richard Harbus/Reuters-United Press International

Third baseman Mike Pagliarullo put the tag on Jim Rice in Monday's third inning at Yankee Stadium, but not before Boston had scored two runs en route to a 10-1 rout of New York.

SPORTS BRIEFS

NBA's 76ers Trade Malone to Bullets

NEW YORK (AP) — The Philadelphia 76ers, in two last-minute blockbuster deals, traded nine-time all-star Moses Malone to the Washington Bullets and surrendered the top pick in Tuesday's National Basketball Association college draft to the Cleveland Cavaliers.

The 76ers sent Malone, a 6-foot-10 center, and 6-6 forward Terry Catledge to the Bullets for 6-10 center Jeff Ruland and 6-9 forward Cliff Robinson. Philadelphia got 6-foot-9 (2.05-meter) Roy Hinson and "other considerations" from Cleveland, which thereby gained the draft's No. 1 and No. 8 picks.

U.S. Court Reduces Raider Damages

SAN FRANCISCO (AP) — Saying the Raiders football team got a financial windfall in moving from Oakland to Los Angeles, a federal appeals court on Monday ordered a reduction of the team's $34.6 million in damages from the National Football League.

The 9th U.S. Circuit Court of Appeals, which had ruled earlier that the league violated antitrust laws in trying to block the 1982 move, declared in a 2-1 vote that the damages must be reduced by the amount the NFL might have been able to charge the Raiders for moving into the Los Angeles market, where the league might have otherwise been able to place an expansion team.

The court did not specify the amount of the reduction, to be determined in U.S. District Court, but said it should be tripled, like the antitrust damages awarded to the Raiders. If the amount is at least $11.55 million, the Raiders would lose all of their damages.

Graf, Ill, Withdraws From Wimbledon

EASTBOURNE, England (AP) — West German teen-age sensation Steffi Graf pulled out of next week's Wimbledon tennis tournament late Tuesday after being seeded third in the women's singles. Peter Graf, the 17-year-old's father and coach, said she was suffering rom "a viral infection and a cough and a high fever."

Graf's first professional victory, over Chris Evert Lloyd in April, started a four-tournament winning streak that included the Women's Tennis Association championships, where she defeated West German Claudia Kohde-Kilsch; the U.S. Clay Courts championships, where she beat Argentine Gabriela Sabatini, and the West German Open, where she downed the world's top-ranked player, Martina Navratilova.

Williams Is Cleared in Bribery Case

NEW ORLEANS (AP) — A six-member jury on Monday unanimously found John (Hot Rod) Williams not guilty of all five counts in a bribery case that forced Tulane University to abandon its basketball program and kept Williams's professional basketball career on hold for a year.

Considered a first-round draft choice when he finished the 1985 season at Tulane, Williams was arrested on March 26, 1985. But the Cleveland Cavaliers gambled and used a second-round pick for him in the 1985 college draft. Williams's first trial ended in a mistrial last August.

SCOREBOARD

Baseball

Monday's Line Scores

AMERICAN LEAGUE

Toronto 001 014 003—9 15 1
Milwaukee 000 010 100—2 10 0
Alexander, Gordon (6) and Whitt; Wegman, Searage (6), Cocanower (9) and Cerone. W—Alexander, 5-3. L—Wegman, 2-6. Sv—Gordon (1). HRs—Toronto, Whitt (5), Bell (10), Fernandez (2).

Boston 302 210 002—10 16 1
New York 010 000 000—1 4 1
Clemens and Gedman; Guidry, Whitson (3) and Hassey. W—Clemens, 12-0. L—Guidry, 4-7.

Detroit 010 001 030—5 5 0
Baltimore 000 010 030—4 7 0
Tanana, Hernandez (8), Pacella (8) and Parrish; Dixon, Martinez (8) and Dempsey. W—Tanana, 7-4. L—Dixon, 6-4. Sv—Pacella (1). HRs—Detroit, Brookens (8). Baltimore, Dempsey (8), Young (5).

Texas 010 000 000—1 4 1
California 000 000 002—2 1 1
Hough and Mercado; McCaskill and Boone. W—McCaskill, 6-4. L—Hough, 5-3.

Kansas City 001 000 000 02—3 6 0
Oakland 000 010 001 01—2 6 1
Bankhead, Black (10), Quisenberry (11) and Sundberg; Langford, Ontiveros (7), Rijo (10) and Tettleton, Willard (9). W—Black, 4-4. L—Rijo, 2-5. Sv—Quisenberry (6). HR—Oakland, M.Davis (7).

NATIONAL LEAGUE

Philadelphia 000 110 300—5 10 2
Chicago 000 421 00x—7 10 1
Carlton, Hume (4), Tekulve (6), Carman (8) and Russell, Daulton (7); Moyer, Baller (7), Smith (8) and Lake, Davis (8). W—Moyer, 1-0. L—Carlton, 4-8. Sv—Smith (9). HR—Chicago, Durham (8).

Cincinnati 000 000 300 0—3 8 2
Atlanta 000 100 002 1—4 12 1
Gullickson, Robinson (7), Franco (9) and Diaz; Palmer, Dedmon (7), Assenmacher (8), Garber (10) and Benedict. W—Garber, 3-1. L—Franco, 0-4. HRs—Atlanta, Oberkfell (4), Thomas (2).

St. Louis 100 12—4 6 0
Pittsburgh 001 00—1 4 1
Cox and LaValliere; Rhoden and Pena. W—Cox, 2-5. L—Rhoden, 6-4. HRs—St. Louis, Clark (7). Pittsburgh, Bonds (4).

San Francisco 000 000 000—0 7 0
San Diego 000 001 30x—4 8 0
Garrelts, Laskey (6), M.Davis (7), Minton (7), Berenguer (8) and Melvin; Hawkins and Kennedy. W—Hawkins, 5-4. L—Laskey, 1-1. HR—San Diego, Wynne (3).

New York 000 000 100 3—4 7 0
Montreal 000 000 010 0—1 7 2
Darling, McDowell (8), Sisk (9) and Carter; Tibbs, McClure (8), Burke (8), Reardon (10) and Bilardello, Fitzgerald (8). W—Sisk, 1-1. L—Reardon, 5-4.

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Boston	41	21	.661	—
New York	37	26	.587	4½
Baltimore	35	26	.574	5½
Milwaukee	32	29	.525	8½
Toronto	32	32	.500	10
Cleveland	30	30	.500	10
Detroit	28	32	.467	12
West Division				
Texas	34	28	.548	—
California	32	31	.508	2½
Kansas City	32	31	.508	2½
Oakland	27	37	.422	8
Chicago	25	36	.410	9
Minnesota	25	37	.403	9½
Seattle	25	39	.391	10½

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
New York	44	16	.733	—
Montreal	32	27	.542	11½
Philadelphia	28	31	.475	15
Chicago	26	35	.426	18
St. Louis	25	35	.407	19
Pittsburgh	24	35	.404	19½
West Division				
Houston	35	26	.574	—
San Francisco	33	29	.532	2½
Atlanta	31	30	.508	4
Los Angeles	31	32	.492	5
San Diego	30	32	.484	5½
Cincinnati	24	35	.407	10

Tennis

Wimbledon Seedings

Seedings for the 1986 Wimbledon tennis championships, scheduled for June 23-30 at the All-England Lawn Tennis and Croquet Club:

MEN

1, Ivan Lendl, Czechoslovakia. 2, Mats Wilander, Sweden. 3, Jimmy Connors, U.S. 4, Boris Becker, West Germany. 5, Stefan Edberg, Sweden.

6, Joakim Nystrom, Sweden. 7, Henri Leconte, France. 8, Anders Jarryd, Sweden. 9, Andres Gomez, Ecuador. 10, Tim Mayotte, U.S. 11, Kevin Curren, U.S. 12, Brad Gilbert, U.S. 13, Mikael Pernfors, Sweden. 14, Martin Jaite, Argentina. 15, Guillermo Vilas, Argentina. 16, Johan Kriek, U.S.

WOMEN

1, Martina Navratilova, U.S. 2, Chris Evert Lloyd, U.S. 3, (Steffi Graf, West Germany). 4, Hana Mandlikova, Czechoslovakia. 5, Claudia Kohde-Kilsch, West Germany.

6, Pam Shriver, U.S. 7, Kathy Rinaldi, U.S. 8, Helena Sukova, Czechoslovakia. 9, Manuela Maleeva, Bulgaria. 10, Zina Garrison, U.S.

11, Gabriela Sabatini, Argentina. 12, Carling Bassett, Canada. 13, Stephanie Rehe, U.S. 14, Barbara Potter, U.S. 15, Wendy Turnbull, Australia. 16, Catarina Lindqvist, Sweden.

Note: Because of Steffi Graf's withdrawal, the women's seedings will be moved up one spot from Nos. 4 through 16; a new 16th seed will be announced.

Transition

BASEBALL

American League

BALTIMORE—Traded Dennis Martinez, pitcher, to the Montreal Expos for a player to be named later.

DETROIT—Purchased John Pacella, pitcher, from Nashville of the American Association. Optioned Chuck Cary, pitcher, to Nashville.

MILWAUKEE—Signed David Woodhouse, Brian Stone, Jamie Cangemi, and Shane Ogawa, pitchers, and Darryl Hamilton and Gregory Vaughn, outfielders.

NEW YORK—Named Dan Zimmer coach. Signed Steve Rosenberg, Ron Rub, John Byrnes and Williams Voelts, pitchers; Tim Becker, shortstop; Hal Morris, first baseman; Andy Stankowicz, second baseman, and Casey Close and Ralph Krause, outfielders.

TEXAS—Placed Darrell Porter, catcher, on the 15-day disabled list. Moved Larry Parrish, outfielder, from the 15-day to 21-day disabled list. Purchased the contract of Bobby Jones, outfielder, from Oklahoma City of the American Association. Signed Rick Roether, pitcher, and Mike Spear, outfielder-first baseman. Assigned Roether to Tulsa of the Texas League and Spear to Sarasota of the Gulf Coast League.

National League

ATLANTA—Activated Claudell Washington, outfielder, from the disabled list. Sent Gerald Perry, outfielder, to Richmond of the International League. Moved Bruce Sutter, pitcher, from the 15-day to the 21-day disabled list.

CHICAGO—Placed Bob Dernier, outfielder, on the 15-day disabled list. Sent Matt Keough, pitcher, to Iowa of the American Association.

CINCINNATI—Placed Nick Esasky, infielder, on the 15-day disabled list. Activated Tracy Jones, outfielder. Named Dan Breen vice president of business and marketing.

LOS ANGELES—Placed Mike Scioscia, catcher, on the 15-day disabled list, retroactive to June 10.

NEW YORK—Signed Scott Henion, pitcher, and assigned him to Kingsport of the Appalachian League. Signed Bill Robinson III, outfielder; Mark Fiedler, Peter Bauer and Richard Brown, pitchers; Cedric Hawkins, infielder; Richard Luedehl, shortstop, and Alejandro Jimenez, first baseman, and assigned them to Little Falls of the New York-Penn League. Signed Tim Corcoran, first baseman-outfielder, and assigned him to Tidewater of the International League.

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BUFFALO—Signed Art Schlichter, quarterback, to a free-agent contract.

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(Continued From Back Page)

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Brazil's Josimar: Last Pick Is Among First to Shine

Compiled by Our Staff From Dispatches

GUADALAJARA, Mexico — Brazilian right back Josimar came to the World Cup finals as a last-minute replacement. He may well emerge from the tournament as one of its outstanding players.

"In my life, the good things always happen when I'm not expecting them. I'm glad it works that way because I love good surprises," said Josimar, who traveled to Mexico separately from the Brazilian team.

Coach Tele Santana asked Josimar to join the squad only a month before the cup finals started, after defender Leandro had quit in anger and could not be persuaded to join his teammates at the airport in Brazil.

Josimar's ambition is to be compared to Djalma Santos, Brazil's star right back in the winning World Cup sides of 1958 and 1962. Josimar never saw Santos play, but said "I hope that some day people will compare me with *him. I was told he was one of the* greatest."

Josimar, 24, had not played for Brazil's national team until the game against Northern Ireland last Thursday. He marked his first appearance with a superb goal — a drive from 30 meters (33 yards) that gave Irish goalkeeper Pat Jennings no chance.

"Just before receiving the ball, I saw that Jennings was out of position," Josimar said. "I decided to take a risk. It worked. The ball went high and swerving, just as I hoped it would."

Then on Monday, in Brazil's 4-0 victory over Poland, Josimar scored another dramatic goal. He sprinted past one defender and then worked around another before hitting an angled shot past goalkeeper Jozef Mlynarczyk and into the roof of the net.

The goal on Jennings has changed Josimar's life.

"It's incredible," Josimar said. "Friends have called me from Brazil to offer their congratulations, reporters are after me. All of a sudden I seem to have become a celebrity. I must say, I'm still a bit confused because it all happened so suddenly. But I must confess though that I'm enjoying every minute of it."

Born and raised in Cidade de Deus (God's City), a Rio de Janiero shantytown, Josimar said his mother always taught him to stay out of trouble.

"I was only interested in playing soccer, so I never got involved with the gangs in my neighborhood," he said.

A humble person, Josimar is still not certain he will keep his place once Edson, who was injured June 6 against Algeria, recovers.

There is a close similarity with Santos's rise to fame in the 1958 finals. Santos was a reserve for de Sordi and came into the team only for the final when de Sordi was injured. Brazil won, 5-2, and Santos became a permanent fixture on the team.

Like fellow-defender Julio Cesar, Josimar started out as a midfielder.

"Julio and I played in midfield in the World Youth Cup in Australia in 1981," Josimar said. "When I turned professional, there were too many good players in [his team] Botafogo's midfield. My coach Sabastiao Leonidas then decided to try me out as a left back. I did all right, but it was only when I became a right back that my career started to happen."

Santana, who is usually stingy with praise, paid tribute to Josimar's versatility, both on defense and on the attack.

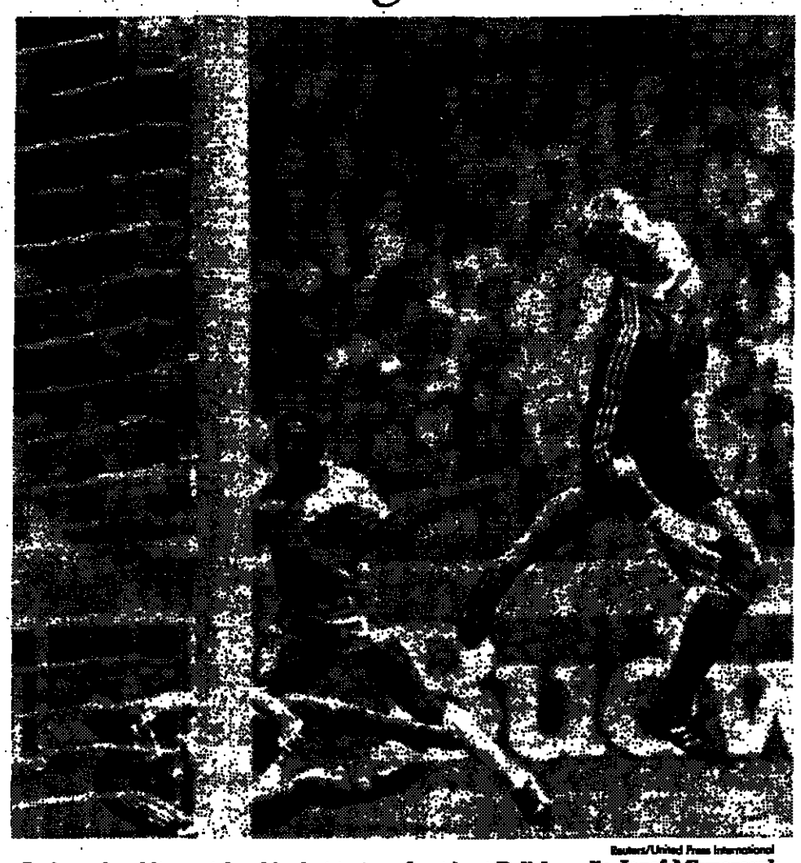
"Josimar is a really good player, who is in really good shape, despite the fact that he hasn't been playing for three months," Santana said after Monday's game.

Josimar has not seen action with Botafogo of Rio since early April because of a contract dispute.

He worked out on his own during that time, hoping for the call from Santana.

Still without a contract with Botafogo, Josimar said that he was not worried about anything else but the World Cup.

"I like Botafogo and I wish I could continue there. But everything will depend on their offer. They did not accept my proposal earlier this year. Now, after playing in the World Cup, our dispute may continue. Let's wait and see," he said. *(Reuters, AP)*



Reuters/United Press International

Josimar, in white, watches his shot to top of net beat Polish goalie Jozef Mlynarczyk.

France Ousts Titlist Italy, 2-0; Argentina Fends Off Uruguay

Compiled by Our Staff From Dispatches

MEXICO CITY — European champion France, toppled titleholder Italy from its World Cup throne Monday, sweeping through to the quarterfinals with a 2-0 victory.

On Monday, Argentina joined Brazil, Belgium and Mexico in the quarterfinals.

Italy fielded five members of the side that beat West Germany in the 1982 World Cup final, but was a pale shadow of that team.

France, served by a superb midfield, made Italy look an ordinary team short of constructive ideas and unable to cope with the creative enterprise of its opponents.

Michel Platini, playing against his fellow professionals in the Italian league, dealt what proved a decisive blow quarter of an hour into the game with the nonchalance with which he makes the difficult look deceptively simple.

Luis Fernandez, who toiled tirelessly under the blistering sun, made the crucial break, surging forward from midfield and passing to Dominique Rochetean, who slipped the ball to Platini on his right.

Platini rounded a defender and lobbed his shot with cool precision over the advancing goalkeeper, Giovanni Galli, into the far corner of the net.

Italy seldom troubled a French defense, which appears stronger than it did in the 1984 European championship triumph.

In the 57th minute France put the game beyond Italy's reach with its second goal.

Jean Tigana burst through the Italian defense before turning the ball inside to Rochetean, who fended off his marker and moved the ball on for Yannick Stopyra to send the ball home.

Platini, shedding the relatively muted play he showed in the first round, again proved his ability to rise to the big occasion.

He might have had a second goal in the 29th minute when he struck a free-kick from just outside the penalty area, but Galli tipped the ball away from the right-hand top corner of his net.

Fernandez was outstanding in the first half, saving off his goalline in the 19th minute, firing a 25-meter (27 yard) free-kick just outside Galli's right post in the 23d and a 30-meter shot against the cross bar in the 31st.

The victory sent France, semifinalists in 1982, into a quarterfinal game with Brazil in Guadalajara on Saturday.

In Puebla, Diego Maradona repeatedly weaved his way through the Uruguayan defense in leading Argentina to a 1-0 victory.

As expected, the match was a bruising encounter, with referee Luigi Agnoli of Italy showing five yellow cards — four for Uruguay and one for Argentina.

The Uruguayans had been fined and warned by the international soccer federation, FIFA, over the weekend for violent play.

But with coach Omar Barras banned from the bench for misconduct in the Scotland match — he watched the game from the stands and communicated with his reserve players by hand-held radio — the Uruguayan players showed little evidence of having heeded the warnings.

Pedro Pasculli scored after 42 minutes, capitalizing on one of the many defensive mistakes by Uruguay.

The Uruguayan defense twice failed to clear the ball before Jorge Valdano found Pasculli, who was unmarked six meters from goal. Pasculli slotted the ball past the Uruguayan goalkeeper, Fernando Alvez.

Argentina, the 1978 champion, could have scored at least a couple more goals, but Maradona found little response from his teammates to his clever passes.

"Maradona was a great example. He showed how to play a real team game," Argentine coach Carlos Bilardo said after the match.

Uruguay tried desperately to tie the match in the last minutes but threatened the Argentine net only once when Argentine goalie Nery Pumpido had trouble palming away a shot by Rubén Paz from 20 meters.

The game began in brilliant sunshine but ended in a driving rain.

(Reuters, AP, UPI)

Referees Clamp Down On Foul Play at Finals

The Associated Press

MEXICO CITY — Referees already have shown the red card of ejection more often in Mexico than they did in Spain and the growing number of cautions indicates the 1986 World Cup is one of the dirtiest on record.

Six players were expelled in the first round alone, one more than was ejected from the 1982 World Cup in Spain or the 1974 tournament in West Germany.

And through the first four games of the second round, the total number of cautions is just six short of the 99 yellow cards shown in Spain, according to statistics provided by FIFA, the sport's ruling body.

To date, the referees in this World Cup have expelled Canada's Mike Sweeney, England's Ray Wilkins, Iraq's Basil Gorgis, Uruguay's Miguel Bossio and José Batista, and Denmark's Frank Arnesen.

The referees issued 81 cautions during the 36 first-round games, and the total has risen to 93 since the start of the second, or knockout, round on Sunday.

By contrast there were 56 bookings in the 36-match first round in Spain and 64 in all after four second-round matches.

Uruguay, which has been warned by FIFA about its rough play, leads the tournament in cautions with nine.

Iraq and South Korea, which have both been eliminated, had led this year's original 24-team field in cautions after the first round with eight and seven, respectively.

Also heavy on cautions to date are Italy, with six, and England and Mexico, with five.

Road From Morocco Paved With Exotic Improbability

By Grahame L. Jones
Los Angeles Times Service

PUEBLA, Mexico — Out of Africa comes a tale so improbable that it has to be true.

Its characters include a king who is an avid fan, his princely sons and feisty Brazilian coach.

Its locations take it from the exotic to the remote, from Casablanca to Cairo, from Benghazi to Lilongwe.

Its story-line is as old as time. It is the tale of David and Goliath, of Jack and the giant.

Welcome to the impossible dream come true. Welcome to Morocco's 1986 World Cup challenge.

Its showing in this tournament has already been an overwhelming success.

Even were Morocco to lose to West Germany on Tuesday, no African country has ever gone this far before. Many have tried; Egypt, for example, and Algeria, Cameroun, Zaire, Tunisia and even Morocco itself. None had ever made it past the first round.

On his team's arrival in Mexico in early May, José Faria, a jovial, 72-year-old who left Rio de Janeiro to seek fame and fortune first in the Middle East, then in North Africa, said that it would be a tremendous achievement if his players survived their first three games.

The World Cup draw had not been kind to Morocco, putting it in the same group as European powers Poland, England and Portugal. A third-place finish would have been the most that could have been expected.

Morocco finished first.

The decisive result was a 3-1 victory over Portugal in Guadalajara last Wednesday. It was Morocco's first victory in the World Cup finals. *In its previous five matches, in* the 1970 World Cup and in this year's tournament, Morocco tied three times and lost twice.

Faria called it a historic triumph, and he was not far wrong.

"We could go home now. It's as if we've won the world championship already."

For Morocco, the road to Monterrey started two years ago in Freetown, Sierra Leone, where, on *June 30, 1984, it scored a 1-0 tri*umph over Sierra Leone.

Over the next 12 months, the Moroccans went on to knock Sierra Leone, Malawi, Egypt and Libya out of the competition. All four home games against those countries resulted in victories, each by a shutout.

Of course, the Moroccan players did have some motivation when they played in either Rabat or Casablanca. *King Hassan II is an avid* fan, and his two sons, Crown Prince Sidi Mohammad and Prince Monlay Rachid, spent the home games on the Morocco bench.

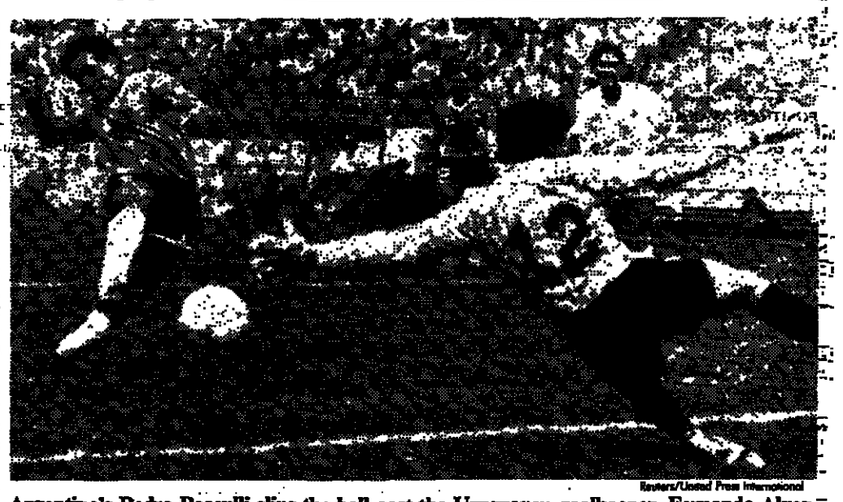
The treatment was less royal on the road, but the results were no less successful. Faria's squad held Malawi, in Lilongwe, and Egypt, in Cairo, to scoreless ties before losing to Libya in Benghazi, 1-0.

That final qualifying-game loss was not enough to push Morocco off the World Cup path, and it joined Algeria as one of Africa's two representatives in the tournament here.

If the players needed further inspiration for their game against West Germany, which is unlikely, they could think back to what their spokesman, Mohamed Ibno Nosair, said when they first arrived in Mexico.

"The Moroccan team comes ready to win," he said. "Our chances of triumphing cannot be discounted because anything is possible in soccer."

In 1986, Morocco has again proven that true.



Reuters/United Press International

Argentina's Pedro Pasculli slips the ball past the Uruguayan goalkeeper, Fernando Alvez.

Europe Tries to Lure Moroccan Stars

Compiled by Our Staff From Dispatches

MONTERREY, Mexico — Morocco's World Cup team was expected to enjoy a lavish reception at King Hassan II's palace when they bow out of the 1986 finals.

But for many of the team's amateur players there will be a more important matter on their minds when they fly home — the lure of Europe's top professional clubs.

Already four of the 22-man squad play in Europe: striker Abdelkarim (Krimau) Merry for Le Havre, France; his brother, Mustapha Merry, for Valenciennes, France; midfielder-striker Abdelaziz Bouderbala for Sion, Switzerland; and Mustapha Haddaoui for Lausanne, Switzerland.

Morocco's coach, José Faria, said Sunday that goalie Badou Ezaki is negotiating his transfer to Atletico Madrid for next season while classy midfielder Mohammed Timoumi is being sought by Italy's AC Milan.

French clubs Laval or Brest are also in the race for Timoumi, 26, a son of a royal palace guard.

Faria also said that Bouderbala, forward Aberrazak Khairi and defender Abdelmajide Lamris are also likely to change teams.

Team trainer Jorge Vieira said that Bouderbala, 26, may join an Italian team, while Lamris and Khairi, both of Morocco's Ejercito Real, might transfer to Spain.

"I cannot give details. Publicity about a deal sometimes wrecks negotiations," Vieira said.

The Merry brothers both said they planned to keep playing in France next season. They are married to French citizens.

However, Kriman Merry, is negotiating a possible transfer to Saint Etienne. *(Reuters, AP)*

England Finds Peace and Quiet — by the Airport

Compiled by Our Staff From Dispatches

MEXICO CITY — England's World Cup team changed hotels Monday to escape Mexico City's awesome noise pollution.

But its new quarters are right next to the capital's international airport.

"Several of the lads have had sleepless nights, particularly because of the early morning noise," manager Bobby Robson told reporters when he announced the move.

WORLD CUP NOTES

The English team, which plays Paraguay on Wednesday, was staying in a hotel just seven minutes' drive from their opulent training ground. But the hotel is located near one of the six-lane highways cutting through the city.

A spokesman at the airport hotel said noise was no problem there. "We're very far from the runway, and all the windows are double-glazed," he said.

□

Psychiatrists from the Mexican Social Security Institute are urging the public to remember that Mexico's soccer players are human beings capable of error, and to accept a World Cup loss without behaving like "beasts."

Doctor Maria del Carmen Minero Segura and Doctor José Manuel Sosa Hernández reminded the public that the World Cup is a sporting event and that the players have the same limitations as any other human beings, the newspaper El Universal reported.

In the same vein, the Excelsior newspaper carried an editorial cartoon showing a soccer player carrying the nation on his shoulders Atlas-style. "I thought they only picked me to play soccer," the caption reads.

□

A fourth coach has quit after his team's elimination from the World Cup finals.

Antoni Piechniczek resigned as Poland's national team coach after the 4-0 defeat by Brazil on Monday.

"I do not blame anybody, but someone else should take over the national team," Piechniczek said.

Earlier the coaches of Hungary, Portugal and Scotland had resigned.

However, the coach of Algeria did not have a chance to quit. Rabah Saadane and his two assistants — Mokdadi Belkacem and Abdelwahab Mourad — were fired Monday following the team's elimination, the Youth and Sports Ministry said in Algiers.

"Unfortunately it is regrettable to see that during the World Cup, results were in total contradiction with the efforts made and the means provided," the Algerian Football Federation said.

Algeria tied Northern Ireland but lost to Brazil and Spain.

□

FIFA, soccer's governing body, has tightened its doping controls at the World Cup finals.

From the second round onwards, three players per team are being required to provide a urine sample after matches, compared with just two in the first round of the competition.

Juan Ustaran, director of the ABC laboratory that is analyzing the dope tests, said some players experience difficulty producing the required urine sample because they are dehydrated after the match.

"It can take anything from 15 minutes to three hours and all that time, you have to stay in the anti-doping salon. Players read, talk, anything, but they have to stay there until the test is over," Ustaran said. *(AP, Reuters)*

European Soccer Body to Hear Appeal By AS Roma of One-Year Suspension

United Press International

BERN — UEFA, European soccer's ruling body, announced Monday that it will hear an appeal from the AS Roma club against a one-year suspension in early July.

A UEFA spokesman said the body's appeals committee will hear the appeal in Zurich when its members have returned from the World Cup finals in Mexico.

Roma, which qualified for the European Champions' Cup next season, was banned for one season after the UEFA disciplinary and control committee found that club president Dino Viola had tried to bribe the referee in a 1984 semifinal of the tournament against Scotland's Dundee United.

Roma won the game, 3-0, for a 3-2 aggregate victory and advanced to the final against Liverpool, the eventual winners.

If the appeals committee upholds the ruling, Sampdoria will be Italy's entry in the Champions' Cup.

WORLD CUP SCOREBOARD

Results, Schedule

SECOND ROUND
June 15
Mexico 2, Bulgaria 0
Belgium 4, Soviet Union 3, OT
June 16
Argentina 1, Uruguay 0
Brazil 4, Poland 0
June 17
France 2, Italy 0
At Monterrey: Morocco vs. West Germany
June 18
At Mexico City: England vs. Paraguay
At Queretaro: Denmark vs. Spain

QUARTERFINALS
June 21
At Guadalajara (Game 45): Brazil vs. France
At Monterrey (Game 46): Morocco-West Germany winner vs. Mexico
June 22
At Mexico City (Game 47): Argentina vs. England-Paraguay winner
At Puebla (Game 48): Denmark-Spain winner vs. Belgium

SEMIFINALS
June 25
At Guadalajara: Game 45 winner vs. Game 46 winner
At Mexico City: Game 48 winner vs. Game 47 winner

THIRD PLACE
June 28
At Puebla: Semifinal losers

CHAMPIONSHIP
June 29
At Mexico City: Semifinal winners

TV Schedules

Wednesday, June 18

Belgium: Eng. vs. Para., 8:00 P.M.; Den. vs. Spain, midnight (RTBF). Eng. vs. Para., 7:45 P.M.; Den. vs. Spain, 11:45 P.M. (BRT).
Brazil: Eng. vs. Para., 3:00 P.M.; Den. vs. Spain, 7:00 P.M. (Globo).
Britain: Eng. vs. Para., 6:45 P.M. (ITV). Eng. vs. Para., 6:30 P.M.; Den. vs. Spain, 10:55 P.M. (BBC1).
Denmark: Eng. vs. Para., 7:55 P.M.; Den. vs. Spain, 11:45 P.M. (Danmarks Radio).
Finland: Eng. vs. Para., 9:00 P.M. (TV1). Den. vs. Spain, 1:00 A.M. (TV2).
France: Eng. vs. Para., 7:50 P.M.; Den. vs. Spain, 11:50 P.M. (TF1).
Hong Kong—Thursday, June 19: Eng. vs. Para, 1:45 A.M.; Den. vs. Spain, 5:45 A.M. (Jade, Pearl).
Italy: Eng. vs. Para., 7:45 P.M. (Ch.1). Den. vs. Spain, 11:45 P.M. (Ch.2).
Japan—Thursday, June 19: Eng. vs. Para., 11:55 P.M. (Ch.1).
Spain: Eng. vs. Para., 8:00 P.M. (Ch.1). Den. vs. Spain, midnight (Ch.2).
Sweden: Eng. vs. Para., 7:55 P.M.; Den. vs. Spain, 11:55 P.M. (TV1).
Switzerland: Eng. vs. Para., 8:00 P.M. (TSI, TSR). Den. vs. Spain, midnight (DRS, TSI).
West Germany: Eng. vs. Para., 7:50 P.M.; Den. vs. Spain, 11:45 P.M. (ARD).

Dismissals, Cautions

(Through Monday's matches)

RED CARDS

Mike Sweeney, Canada, 1 (served suspension vs. Soviet Union); Frank Arnesen, Denmark, 1 (suspended vs. Spain); Ray Wilkins, England, 1 (served first suspension vs. Poland, suspended vs. Paraguay); Hanna Basil, Iraq, 1 (served suspension vs. Mexico); Jose Batista, Uruguay, 1 (served suspension vs. Argentina); Miguel Bossio, Uruguay, 1 (served suspension vs. Scotland).

YELLOW CARDS

Oscar Garre, Argentina, 2 (suspended from quarterfinal match); Terry Fenwick, England, 2 (suspended vs. Paraguay); Samir Mahmoud, Iraq, 2, (served suspension vs. Mexico); Giussepe Bergomi, Italy, 2 (served suspension vs. South Korea); Hugo Sanchez, Mexico, 2 (served suspension vs. Iraq); Waldimira Schettina, Paraguay, 2 (served suspension vs. Belgium); Kim Joo-Sung, South Korea, 2 (suspended from next "A" international); Jorge Da Silva, Uruguay, 2 (suspended from next "A" international); Victor Diogo, Uruguay, 2 (served suspension vs. Argentina); Roman Wolcicki, Poland, 2 (suspended from next "A" international); Dariusz Dziekanowski, Poland, 2 (suspended from next "A" international)

Mansouri Fawzi, Algeria, 1; Rabah Madjer, Algeria, 1; Abdellah Medioni, Algeria, 1; Ricardo Giusti, Argentina, 1; Jose Luis Brown, Argentina, 1; Jose Cucuffe, Argentina, 1; Franky van der Elst, Belgium, 1; Nico Claesen, Belgium, 1; Jan Ceulemans, Belgium, 1; Stephane DeMot, Belgium, 1; Josimar, Brazil, 1; Edinho, Brazil, 1; Nikolai Arabov, Bulgaria, 1; Alexandr Markov, Bulgaria, 1; Zhivko Gospodinov, Bulgaria, 1; Bob Lenarduzzi, Canada, 1; Klaus Berggreen, Denmark, 1; Ivan Nielsen, Denmark, 1; Terry Butcher, England, 1; Mark Hateley, England, 1; Luis Fernandez, France, 1; Manuel Amoros, France, 1; William Ayache, France, 1; Dominique Rocheteau, France, 1; Raad Salman, Iraq, 1; Nadhum Salim, Iraq, 1; Natik Abidoun, Iraq, 1; Hris Hasan, Iraq, 1.

Khalil Allawe, Iraq, 1; Kerim Minshid, Iraq, 1; Pietro Vierchowod, Italy, 1; Antonio Cabrini, Italy, 1; Gaetano Scirea, Italy, 1; Salvatore Bagni, Italy, 1; Carlos Munoz, Mexico, 1; Manuel Negrete, Mexico, 1; Mario Trejo, Mexico, 1; Mohammed Timoumi, Morocco, 1; Khalifa Labd, Morocco, 1; Abderrazak Khairi, Morocco, 1; Sammy McIlroy, Northern Ireland, 1; Norman Whiteside, Northern Ireland, 1; Billy Hamilton, Northern Ireland, 1; Mal Donaghy, Northern Ireland, 1; Rogelio Delgado, Paraguay, 1; Alfredo Mendoza, Paraguay, 1; Julio Cesar Romero, Paraguay, 1; Wladzimierz Smolarek, Poland, 1; Fernando Gomes, Portugal, 1; Jaime Pacheco, Portugal, 1.

Steve Archibald, Scotland, 1; Eamonn Bannon, Scotland, 1; Steve Nicol, Scotland, 1; Huh Jung-moo, South Korea, 1; Cha Yong-Ieung, South Korea, 1; Park Kyung-hoon, South Korea, 1; Byun Byung-joo, South Korea, 1; Vasili Rats, Soviet Union, 1; Igor Belanov, Soviet Union, 1; Victor Munoz, Spain, 1; Julio Moreno, Spain, 1; Andoni Goicoechea, Spain, 1; Eduardo Acevedo, Uruguay, 1; Enzo Francescoli, Uruguay, 1; Mario Saralegui, Uruguay, 1; Fernando Alvez, Uruguay, 1; Wilmar Cabrera, Uruguay, 1; Norbert Eder, West Germany, 1; Dittmar Jakobs, West Germany, 1.

Scorers

(Through Monday's matches)

FOUR GOALS
Brazil: Careca, Denmark: Preben Elkjaer, Italy: Alessandro Altobelli, Soviet Union: Igor Belanov.

THREE GOALS
Argentina: Jorge Valdano, England: Gary Lineker.

TWO GOALS
Belgium: Enzo Scifo, Nico Claesen, Brazil: Socrates, Josimar, Denmark: Jesper Olsen, Mexico: Fernando Quirarte, Morocco: Abderrazak Khairi, Paraguay: Julio Cesar Romero, Roberto Cabanas, Spain: Ramon Caldere, West Germany: Klaus Allofs.

ONE GOAL
Algeria: Djamel Zidane, Argentina: Oscar Ruggeri, Diego Maradona, Pedro Pasculli, Jorge Luis Burruchaga, Belgium: Jan Ceulemans, Stephane DeMot, Erwin Vandenbergh, Danny Veyt, Frank Vercauteren, Brazil: Edinho, Bulgaria: Nasko Sirakov, Plamen Getov, Denmark: Soren Lerby, Michael Laudrup, John Eriksen, France: Jean-Pierre Papin, Luis Fernandez, Yannick Stopyra, Jean Tigana, Hungary: Marton Esterhazy, Lajos Detari, Iraq: Ahmed Amaiesh, Mexico: Hugo Sanchez, Luis Flores, Manuel Negrete, Raul Servin, Morocco: Merry Krimau, Northern Ireland: Norman Whiteside, Colin Clarke, Poland: Wlodzimierz Smolarek, Portugal: Carlos Manuel, Diamantino, Scotland: Gordon Strachan, South Korea: Park Chang-sun, Kim Jong-boo, Choi Soon-ho, Huh Jung-moo, South Korea, Soviet Union: Sergei Radionov, Sergei Aleinikov, Oleg Blokhin, Vasili Rats, Spain: Emilio Butragueno, Julio Salinas, Jose Eloy Olaya, Uruguay: Antonio Alzamendi, Enzo Francescoli, West Germany: Rudolf Voller.

OWN GOALS
Hungary: Lajos Detari, South Korea: Cha Kwang-Rae.

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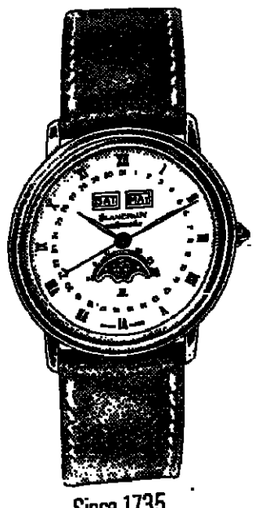

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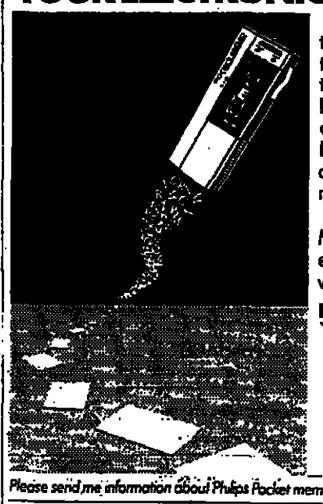

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ARTS / LEISURE

'Circe/Bravo' for the Star, 'Entertainer' for the Play

By Sheridan Morley
International Herald Tribune

LONDON — Precious few theatrical fortune-tellers could have predicted that Harold Pinter, darkest and most distinguished of dramatists, would become the George Cukor of the 1980s, but in his productions of Lauren Bacall in "Sweet Bird of Youth" last year and now of Faye Dunaway in "Circe & Bravo" at Hampstead there can be no doubt that he has developed precisely Cukor's talent for drawing immensely strong performances from hugely starry ladies in often shaky scripts.

THE LONDON STAGE

Dunaway's European stage debut comes, and not before time, in a play by Donald Freed set at Camp David during what would appear to be some kind of nuclear alert. She has been taken there under house arrest by the only other character we ever get to meet — a monosyllabic security guard played with dark glasses and a barely suppressed anxiety complex by Stephen Jenn — and is being held captive for the simple reason that she is married to the president and talks too much, especially in times of crisis, to journalists from The New York Times.

Freed is a dramatist and screenwriter whose track record would suggest a considerable interest in the conspiracy theories of recent American history, but as his title indicates he wants us now to see something Greek and mythological in what could otherwise have been just another post-Watergate thriller. Yet for those of us who had enough trouble just relating the Kennedys to Camelot, the idea of a first lady acquiring Greek grandeur is usually allied to another Onassis marriage rather than anything more classical, and that essentially is the central problem with an otherwise intriguing play.

For as long as it stays rooted in Camp David, "Circe & Bravo" has a lot to say about the intolerable sexual and social lives of most first ladies and about the desire of a woman, at the center of power but unable to wield it personally, at least to achieve some satisfaction as an informer. This, known doubtless as the Martha Mitchell syndrome, is what Dunaway manages best, prowling in a white bathrobe around her presidential prison, a designer bunker complete with every modern convenience except the vodka she most needs. The Louisiana beauty queen who made a good political marriage is coruscatingly funny about White Houses past and present and then very moving in a lament about how the American heroes of World War II turned into the butchers of Vietnam.

In these sequences, and in those of a Pinteresque power game that ends with her guarding the guard, "Circe & Bravo" is an unmissable dramatic near-monologue that establishes Dunaway as a formidably powerful player in the best traditions of Bacall and even the Joan Crawford she once played on film.

It is when the play lurches into poetic childhood memories of the Deep South, or the first lady's mythomania, that it proves irretrievable even by such powerhouse playing, and its final collapse comes as the declaration of nuclear war itself is made to seem almost an anticlimax to the first lady's personality problems. Yet, time and again, Dunaway drags an overblown, verbose and semi-static play into raw life by the sheer force of her stardom. Though tickets at Hampstead are now the hottest in town, you would be well advised to catch up with a blazing star trek when the play makes what will I suspect be a rapid transfer to a larger West End house and then Broadway.

□

For 30 years John Osborne's "The Entertainer" has been overshadowed on stage and screen by the memory of Laurence Olivier as Archie Rice, dead behind the eyes, telling us not to clap too loudly in a very old building or asking us where we were playing tomorrow night so he could come see us on account of what a lovely audience we had been. Others who have attempted the most demanding role written for an English actor in the 1950s have almost always been specialist comedians like Max Wall or Jimmy Logan, so it is considerably to the credit of Peter Bowles that he should be the first straight man to tackle it in a West End revival at the Shaftesbury.

The surprise and the success of Robin Lefevre's production is that it takes us away from false memories of the first production and back to the play itself. If you recalled "The Entertainer" the way I did, as a play about England seen as a dying vaudeville act, or as a play about Suez and national pride, or even as a play about the impossibility of being Max Miller anymore, look again. What we have now is nothing less than the English "Long Day's Journey Into Night," a vast rambling family tragedy about death and failure and despair within which the front-cloth vaudeville numbers that were so central to the Olivier production come as little more than occasional musical interludes.

The role that brought Olivier the greatest non-classical success of his career is thus returned to the bosom of its appalling family. Alongside Bowles as Archie we have Frank Middlemass as the old-trouper father, Sylvia Syms as the long-suffering wife, Joanne Pearce as the militant daughter and Paul Mooney as the surviving son, all locked together in the kind of seedy lodging house where in another country you'd expect to find Willy Loman halfway up the stairs in search of a smile and a shoeshine. And although I'm not convinced that the first act needs to be dragged over the interminable hour it takes to establish this connection, the end result is, admirably, to replace our memory of a performance with the reality of the play.

Certainly the music-hall origins are still powerful, as is Osborne's great last-act salute to Max Miller, but the easy equation between England and a run-down pier show now seems only part of a more complex social tapestry that has to do with families and nostalgia and, inevitably, the potency of cheap music. Within the ornately tacky and wonderfully suitable surroundings of the Shaftesbury, Bowles splendidly manages Archie's mix of fear and hatred and self-loathing, that inability ever to decide whether he hates his audiences more than they hate him. But this is now a company play, in which, while Archie roars out his life in four-letter words, the other family members try to come to terms with their own declining roles in a fast-declining nation. In that sense "The Entertainer" is a rancid "Cavalcade," held together and given lasting fascination by Osborne's realization that the family that preys together stays together.

Greece's Part in Liberty Fête

United Press International

ATHENS — Greece has sent a replica of a 4th-century B.C. freighter to New York to participate in the Statue of Liberty centennial, Culture Minister Melina Mercouri said Monday.

Christian Rose

Shane MacGowan: Taking rock back before its own roots.

Punk, Folk, Rock and Booze: The Pogues Blur the Images

By Michael Zwerin
International Herald Tribune

PARIS — Shane MacGowan's head was on the table, out cold after midnight during a press dinner in a private cellar of a restaurant in Les Halles last week. The Pogues had returned the day before from a flying Finnish interval in the middle of a French tour, and this had been a long day dedicated to TV and promotion. Terry Woods, who calls himself "jack of all strings," came over to explain: "He's just very tired." The French tour had been delayed several months after MacGowan broke his arm staggering into a London taxicab.

"The Pogues' basic claim to fame is the amount of drink they can consume before falling into the audience," said Dave Robinson, president of Stiff, their record label. Then he said, "They are without doubt the most interesting new band in London."

Alcohol somehow automatically enters the conversation when the Pogues are mentioned. This combination of Irish and punk stereotype makes for facile headlines and cheap shots. They were "launched drink in hand onto the rock circuit," according to Musician magazine, though the subject also warrants "launched thoughts in mind."

They have been called the best punk band since the Sex Pistols, which is misleading. Singer-songwriter MacGowan's Gaelic, political tales of misery, alienation, mutilation and death are accompanied by acoustic instruments such as autoharp, cittern, concertina, dulcimer, banjo, mandola, snare drum, accordion and bagpipes — not usual punk tools.

On the other hand, their latest long-play record, "Rum, Sodomy and the Lash" (taken, it is said, from a Winston Churchill remark about life in the Royal Navy) was produced by the punk hero Elvis Costello, their original name was Pogue Mahone — a Gaelic vulgarity — and they descend from a previous band called the Nipple Erectors. Punk is a matter of attitude, language, look and the company you keep as much as music.

"We're really not a rock band," says Woods. "But nobody else uses acoustic instruments with such attack. So we're called punk because of the *way* we play rather than our material or the instrumentation. If you consider the lyrics, we're a folk band. We come right out of the Clancy Brothers and the Dubliners and the whole folk revival. Brendan Behan is in there somewhere. And do you know about Patrick Kavanagh? He had a classic expressive style of writing poetry that Shane has too. Some of Shane's songs could have been written, like, 50 years ago."

Shane MacGowan's "Old Main Drag" begins: "When I first came to London I was only 16 / With fiver in my pocket and my old dancing bag / I went down the 'dilly to check out the scene / And I ended up on the old main drag." Or the chorus of "London Girl": "This could be our final dance / This could be our very last chance / And if you cut me deep you think I feel / Is this body clay, is this heart made of steel."

The faces around the table were bright, kind, sensitive (maybe a bit puzzled), if not exactly sober. It is true you need all the help you can get on the road. Woods has seen his wife and children in Ireland only one month since the band started to tour (usually last summer. You suspect that the drinking is escape alienation, a product of painful conscience rather than an attempt to occupy an empty life. "Everybody drinks," Woods said with a shrug. "Maybe we drink a little more than everybody."

Terry Woods was clear-eyed, on time and build A.M a few mornings after the press dinner. "I s on the five-string banjo, which is an American ment, playing old-timey Appalachian music. S dances and stuff. Do you know Cecil Sharpe? H lot of research in Tennessee and West Virginia ied the origins and traced it all back to Scots northern English songs. Irish fiddle tunes — yo it."

Woods switched to four-string tenor ban picked up autoharp and cittern before ever thi becoming a professional. "Gaelic culture h been destroyed. The English knocked a lot of us but there are still entirely Gaelic pockets music has been there all the time."

What Woods calls "the Irish connection" acc for a certain built-in audience, but it's more than The Pogues take rock back before its own roots has never been done so organically before. Wh played New York in February. Matt Dillon and Zappa were in the audience. Iggy Pop and Peter W are fans. Their boozy poetic melancholy can be pared to Tom Waits, who has said about them, the shooting." Waits may produce their next

It's being called "Pogueamaria." Terry Woods plained: "We're beginning to appeal to a large cr section of the rock audience. One thing people about this band is it's not being 'sold' to them. W definitely not packaged. It's no stereotype. We seem cross all categories. I don't understand how exac but we do it."

The Pogues: June 19, Sheffield, England; June Nottingham; June 21, Glastonbury Festival; June July 15, tour of the United States.

Every Season Is the Right Season for Best Sellers

By Edwin McDowell
New York Times Service

NEW YORK — Years ago most of the big-name novelists were published in the autumn, but that has not been true for some time. As evidence, the current best seller list includes recently published novels by John le Carré, Judith Krantz, Robert Ludlum, Dick Francis, Lawrence Sanders and John Gardner. And that list is likely to be joined soon by Louis L'Amour and John D. MacDonald, whose latest books are just now in the stores.

"The expensive pictorial books still come out mainly in the fall, because those really are gift books," said Howard Kaminsky, the publisher of Random House. "But publishing is a 12-month business now."

Robert A. Gottlieb, the president of Alfred A. Knopf, agrees. "People used to say things like 'July is a good month for publishing but August is bad,' " he said. "All those maxims are true until books come along that disprove them, then the opposite is true."

The publishing of big-name authors in the autumn was more than a maxim, though: It was an established fact. "Years ago we published all our big books in the fall," said Kenneth McCormick, who was editor in chief of Doubleday for 30 years. By his estimate, 80 percent of fiction sales occurred in the autumn publishing season.

Autumn is still the major publishing season, based on sales and dollar volume. But the other three seasons are also important now. The main reason, industry officials say, is the rise of bookstore chains, which look for big-name authors throughout the year. McCormick also said Doubleday once published a big-name author in January after it had been unable to get the book out in the autumn, and after it became a big best seller the house gradually began publishing other big books throughout the year.

At stake in the fine-tuning of publication dates — the dates by which books are scheduled to be in bookstores — is not only review attention but display space in bookstores and, in many cases, money from book clubs, motion pictures and television.

One of the most notable recent examples of the juggling of publication dates occurred when two publishers scheduled books last year on the trial of Frances Schreuder, a patron of the New York arts who persuaded her 17-year-old son, Marc, to murder her father, Franklin Bradshaw. "Nutcracker," the account by Shana Alexander, was originally scheduled for publication by Doubleday one month after the scheduled publication date of "At Mother's Request," the account by Jonathan Coleman published by Atheneum. When Doubleday advanced the publication of "Nutcracker" by a month, Atheneum moved its publication date up two months. Eventually the two books — each of which sold to a paperback house for six figures and was a book-club alternate selection — came out within a day of one another.

Most books, of course, do not have blockbuster potential and therefore they are published about a year after the manuscript arrives at the publishing house.

Knopf's Gottlieb said his house published most of its books "at the first rational moment." Still, Knopf tries to avoid clustering the publication dates of its major titles, partly in order to give them individual advertising and publicity.

Random House published Ludlum's "Bourne Supremacy" in March, in keeping with a tradition of publishing Ludlum books in that month, and Knopf published le Carré's "Perfect Spy" in May, in keeping with a normal schedule. Random House and Knopf both have the same corporate owner, but Gottlieb said he would not have chosen to publish the two books — each of which was a Book-of-the-Month Club main selection — at the same time no matter who published them. "The bookstores would rather have the lead titles spaced apart, to bring people into the stores," he said. On Sunday, "A Perfect Spy" was No. 1 on The New York Times Best Seller list, "The Bourne Supremacy" No. 3.

Bruce Harris, publishing director of Crown Publishers, said his house had no qualms about bringing out "I'll Take Manhattan" by Judith Krantz, one of its major authors, when "Mammoth Hunters" by Jean M. Auel, another of Crown's major authors, was on the b seller list.

"We always had the philoso that you publish a book when ready," he said. "I'll Take Man tan" was No. 2 on the best seller Sunday and "The Mammoth Hu ers" was No. 9.

While there may be some cr over among buyers, publishers c tend that the hard-cover book m ket has a number of constituen with differing literary tastes. the other hand, certain books out to be published as soon as p sible, no matter what the comp tion. A good recent example "The Triumph of Politics" by vid A. Stockman, the No. 3 non tion best seller.

"We pulled out all the stops that book, making a real effort produce it in three months or l from the time we received the fi draft," said Harriet Rubin, book's editor at Harper & Row

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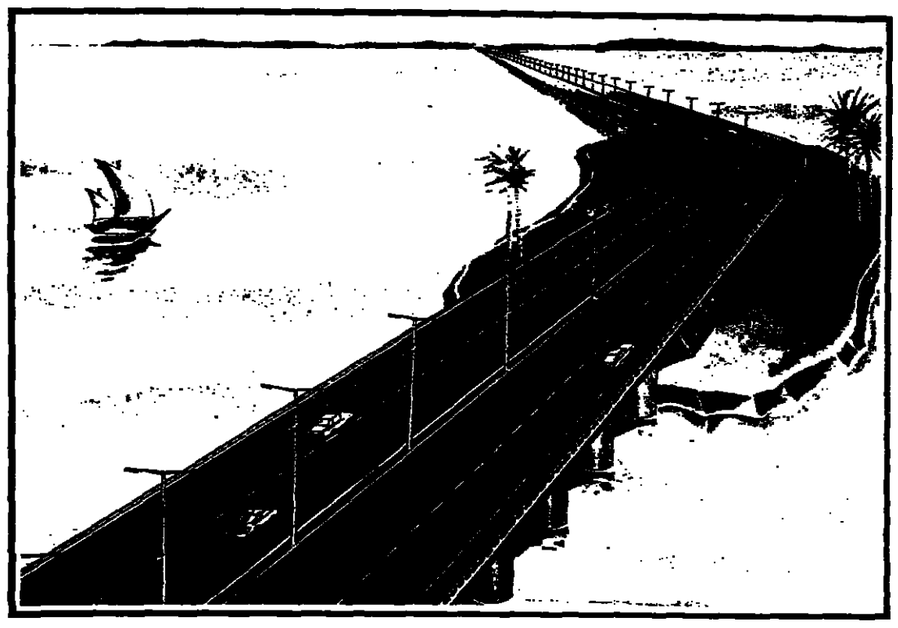

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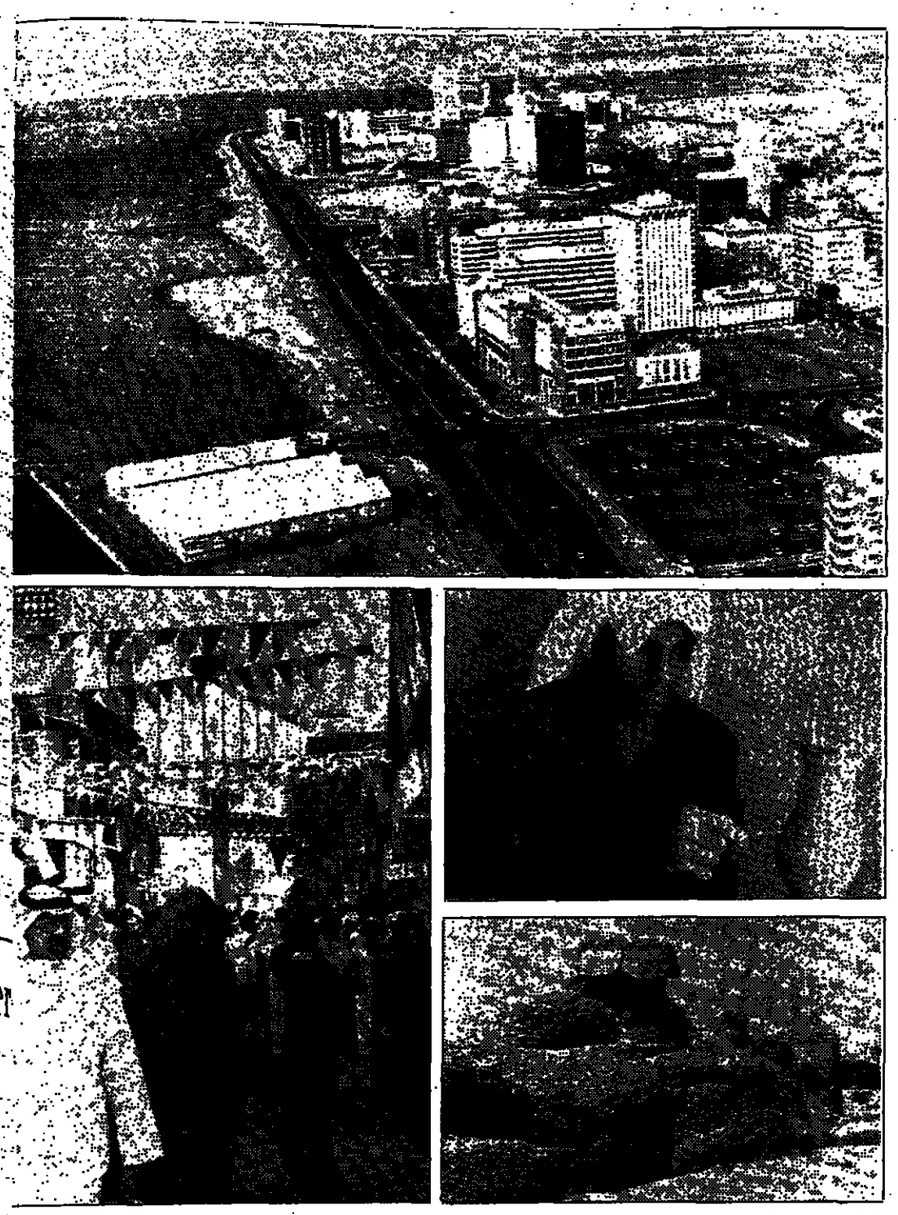
Bahrain: Instinct for Survival



Modern Manama with its diplomatic quarter, in foreground, and port, top; and a crowded souk. Above right, a village potter at work and, below, the ruins of a Portuguese fort.

Economic Prospects

The Challenge of Oil Price and War

By Olfat Tohamy

'Fears and hopes are exaggerated,' concerning the new causeway to Saudi Arabia, which will have an uncertain impact on trade. 'The two governments will encourage stronger links but they will not interfere or force them.'

MANAMA—Bahrain is continuing to seek ways and means of building a healthy economy in spite of the gloomy prospects for the region's oil-dependent economies and the war raging to the north and in the waters surrounding it.

As the drop in oil prices dealt a blow to hopes of a gradual retrenchment to pre-boom levels of economic growth, and repeated attempts to end six years of war between Iran and Iraq failed, Bahrainis have come to realize that the gains they shared with their neighbors on the Arabian peninsula could erode.

Bahrainis are resorting to what they refer to proudly as their "survival instinct" to carry their small country, made up of 35 islands, through the lean times ahead.

Having been the first country in the region to exploit its oil reserves long before oil was discovered in the peninsula, Bahrain had a head start over its neighbors and made a decisive turn away from isolation more than 50 years ago.

It was then that the country abandoned the pearling trade, which it had practiced for centuries, and began laying the foundations for its future development.

Bahrain now boasts the highest rates of literacy, adult education and working women in the region. Its per-capita income of about $8,000, which compares favorably with some industrialized countries, was boosted during the boom years of the 1970s by spillovers that this service center has been able to attract.

Having aimed for the high-earning expatriates, when it invited offshore banks to establish a presence, Bahrain now hosts over 100,000 expatriates. They, their guests and visitors from the Gulf are the clientele of the country's five-star hotels and nightclubs, which, unlike Saudi Arabia, Kuwait and Qatar, freely offer alcohol.

The prospect of building a permanent link with Saudi Arabia, which has finally materialized in the form of a 25-kilometer (15.5-mile) causeway, raised fears about the country's island status.

Although Dhahran, the nearest Saudi city to Bahrain, is less than a 10-minute flight from Manama, the idea of a bridge that cars could cross in 20 minutes has sparked high hopes as well as fears on the Bahraini side.

Many Bahrainis envisaged only the increasing number of Saudis who would cross the causeway to do business with Bahraini counterparts or offshore banks, spend a weekend with their families or just an evening out, while Bahrain's influential, deeply-rooted merchant families saw it as an invitation for unfair competition with a bigger and cheaper market.

Some owners of the many empty office buildings, shopping complexes and villas expected the opening of the causeway to put an end to their growing problem.

Sami Kaiksow, a leading Bahraini banker and businessman, said the causeway's opening was "coming up at a time of low business morale."

Referring to the prevailing sense of uncertainty in business circles, Mr. Kaiksow said that "a lot of questions remain unanswered."

The $1-billion-plus project, which was agreed to by the two countries' monarchs several years before it was given the go-ahead, has raised questions about the rules governing the movement of people — natives as well as expatriates — and of goods.

An authority has been created to supervise movement over the bridge, but talks between the two chambers of commerce have produced few results and little is known about the meetings on the issue between officials from both countries.

"Fears and hopes are exaggerated," asserted the Saudi ambassador, Ghazi al-Gosaibi. "The two governments will encourage stronger links, but they will not interfere or force them," he said, referring to hopes that formalities would be reduced to a minimum to boost movement across the causeway.

He criticized Bahrainis for focusing on movement into Bahrain and said he believed more Bahrainis would be going to Saudi Arabia than the opposite.

As for the prospects for business communities on both sides, he said, "The bridge is a catalyst, and if the entrepreneur spirit exists, it will create new opportunities."

For centuries before modern transportation became available and political boundaries were drawn, the peoples of the two countries moved freely back and forth.

As some Saudis did at the time, Mr. al-Gosaibi spent his childhood and adolescence with his family in Bahrain, while many Bahrainis temporarily settled in Saudi Arabia, where they joined in developing the country's newly discovered oil reserves in the 1940s and 1950s.

During the 1970s, when Saudi oil production and income soared, while Bahrain's output began a gradual decline, Saudi assistance for Bahrain's development entered a new phase.

In addition to receiving a cash grant of 100 million dinars ($265 million), Bahrain is sharing equally with Saudi Arabia revenues from the Saudi oilfield of Abu Saafa, which amount to almost double Bahrain's income from its own fields.

Moreover, Saudi Arabia, as well as Kuwait, have invested heavily in Bahraini industrial ventures that are providing the basis for diversifying away from oil, which is expected to run out in less than two decades.

Substantial investments in Bahrain-based industries have also been made by the Gulf Cooperation Council, which groups Bahrain, Saudi Arabia, Kuwait, the United Arab Emirates, Qatar and Oman.

As it reviews its options, the government is giving top priority to tourism. The minister of information and tourism, Tariq al-Moayed, said, "The government wants to organize the tourist trade and take advantage of Bahrain's location and relations with neighboring states to make it a regional center for tourism."

Underlining the boost given to the industry, the government is going ahead with a number of major projects in this sector despite restrained capital spending.

The first phase of a civic center, including an archaeological museum and other exhibits, costing 13 million dinars, is expected to be completed by the end of this year.

OLFAT TOHAMY, an Egyptian journalist based in Cairo, is editor and publisher of the Gulf Insider Report.

Defense

Gulf Conflict's Spillover Threat

By Ghassan Salame

WASHINGTON — With the Gulf war cannons now clearly heard in Kuwait, the leaders of the six conservative governments of the Gulf Cooperation Council (GCC) are more worried than ever by the prospect of the Iranian-Iraqi hostilities spilling over into their own countries, especially since Iranian warnings against them have turned harsh. They are aware of the important implications for their security of the outcome of the war, whatever that may be.

For the council, which groups Saudi Arabia, Kuwait, Bahrain, the United Arab Emirates, Oman and Qatar, an Iranian victory would have far-reaching negative consequences. Iranian nationalism has traditionally wanted the Gulf to be Farsi (Persian), in name and in reality.

This led the Iranians to cross Gulf waters many times in history, most recently in 1975 to help the sultan of Oman defeat a Marxist rebellion and to occupy three islets also claimed by the United Arab Emirates.

Since the establishment of the revolutionary regime in Tehran, pro-Iranian groups have been active in Kuwait, Bahrain and the United Arab Emirates as well as in Mecca during the yearly pilgrimage.

If the Iranians were to win the war, the outcome for the GCC countries could imply, at the least, an assertive Iranian military role in the Gulf, heavy Iranian pressure on those emirates where an important fraction of the population is Shiite (Bahrain and Kuwait) and some pressure on all six council countries, which would probably be reflected in their oil policies and their diplomacy.

An Iraqi victory, which seems less likely, would have less negative effects. A victorious Iraq would probably press the council countries for more financial help to rebuild its economy, stronger support in its centuries-old conflict with Iran, oil policies adapted to Iraqi needs for a larger share of the oil market and some alignment of the council countries with Iraqi positions in inter-Arab feuds.

However, while an Iranian victory would be felt all over the Gulf, the consequences of an Iraqi victory would be felt much more in Kuwait than elsewhere in the region.

Iraqi governments have consistently asked for a wider window on the Gulf through the leasing of the Kuwaiti islands of Warba and Bubiyan. Some Iraqis even consider Kuwait as a part of Iraqi territory. This led, in 1961, to an unsuccessful Iraqi attempt to annex the emirate. Finally, Iraq could possibly press the council countries to accept Baghdad as a full member in their enviable millionaires' club.

This would completely change the function of this regional grouping. To a large extent, the Gulf Cooperation Council was established to isolate the six monarchies of the Arabian peninsula from the negative effects of the war. Many ideas for such a grouping were expressed, but the structure could not be created until the Gulf war started in 1980.

The objective was to unify, or at least to coordinate, the military-security capabilities of the six countries. The grouping has its headquarters in Riyadh, an indication of the pivotal role played by Saudi Arabia and of the Saudis' strengthened influence over their small and vulnerable neighbors.

This presents a sensitive dilemma: More integration of the security and military capabilities among the six council countries means a clearer Saudi leadership and an unequal satellite role for the smaller five.

As a Western military expert noted, "Greater cooperation smacks of legitimizing Saudi interference in the internal affairs of its neighbors."

In the five small emirates, not everybody wishes for such an outcome. Some still resent the Saudi territorial expansionism over the last two centuries; while others, especially in Kuwait, point to the difference between their constitutional governments and the authoritarian traditional monarchy in Saudi Arabia.

The rulers of Kuwait, Bahrain and the United Arab Emirates fear that a more assertive Saudi role in their countries would trigger a more aggressive policy by Iran or Iraq toward them.

These considerations explain why Kuwait has, until now, refrained from signing the internal security agreement already ratified by the other five members. It also explains why the council's rapid deployment force, formed after the unsuccessful coup in Bahrain, is still very modest. This regional deployment force, named the Arabian Shield Forces, is basically formed of a Saudi brigade with some token forces from the other five countries, with a total of almost 10,000 men.

The six countries still have a long way to go before being able to meet a substantial military threat. That is due to the very limited size of their populations and to an evident technological backwardness. Most of the arsenals are very recent, and Bedouin warfare tradition, still a strong factor in Saudi Arabia, is poorly adapted to modern hostilities.

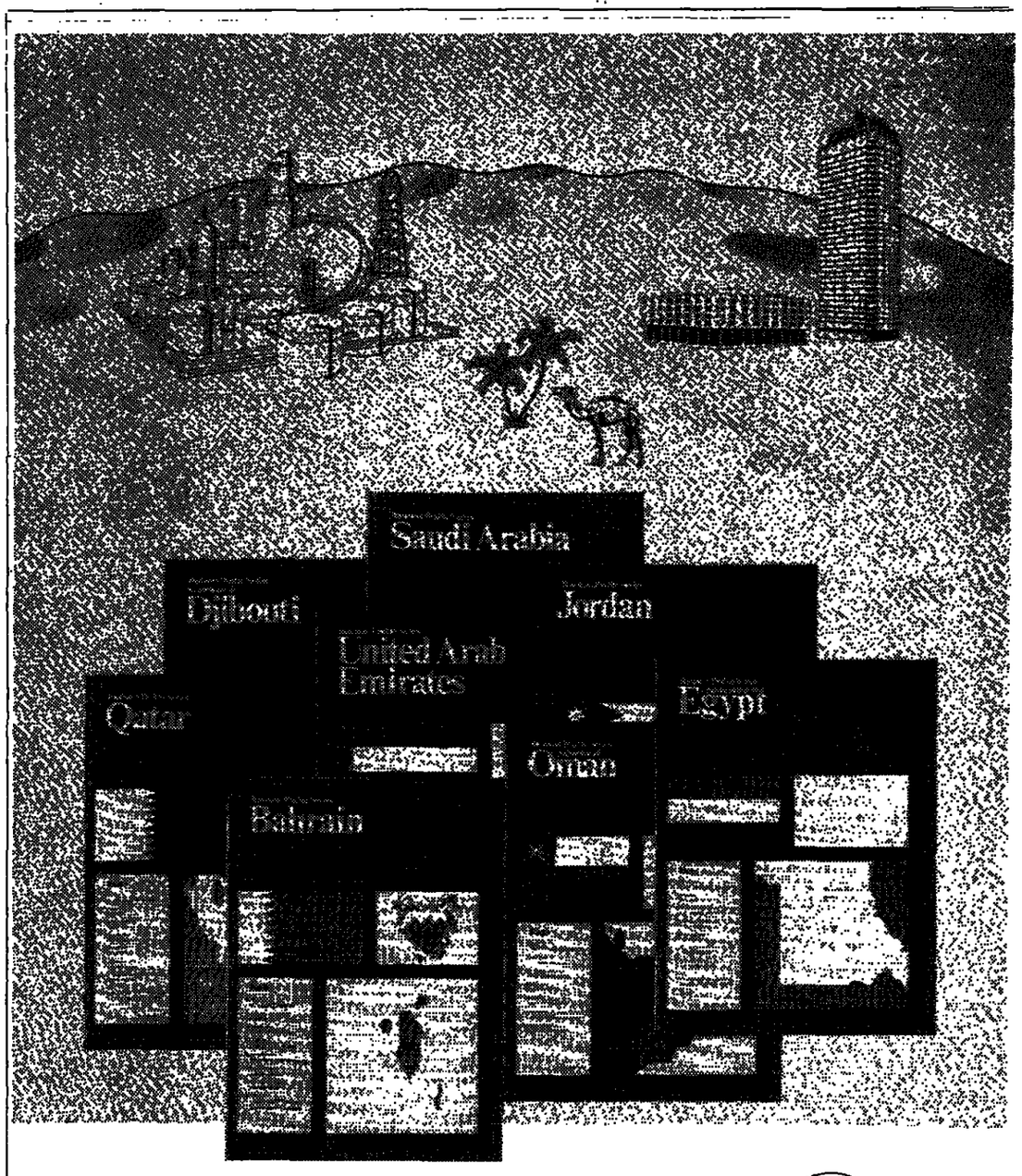
A Rand Corporation report has estimated that compared with the Jordanians or Pakistanis, "it may require twice as long to produce a Saudi pilot, mechanic or supply clerk with U.S. proficiency standards." Better-paid jobs in the civilian sector do not encourage enrollment in the armed forces and the governments have been extremely reluctant to impose a draft.

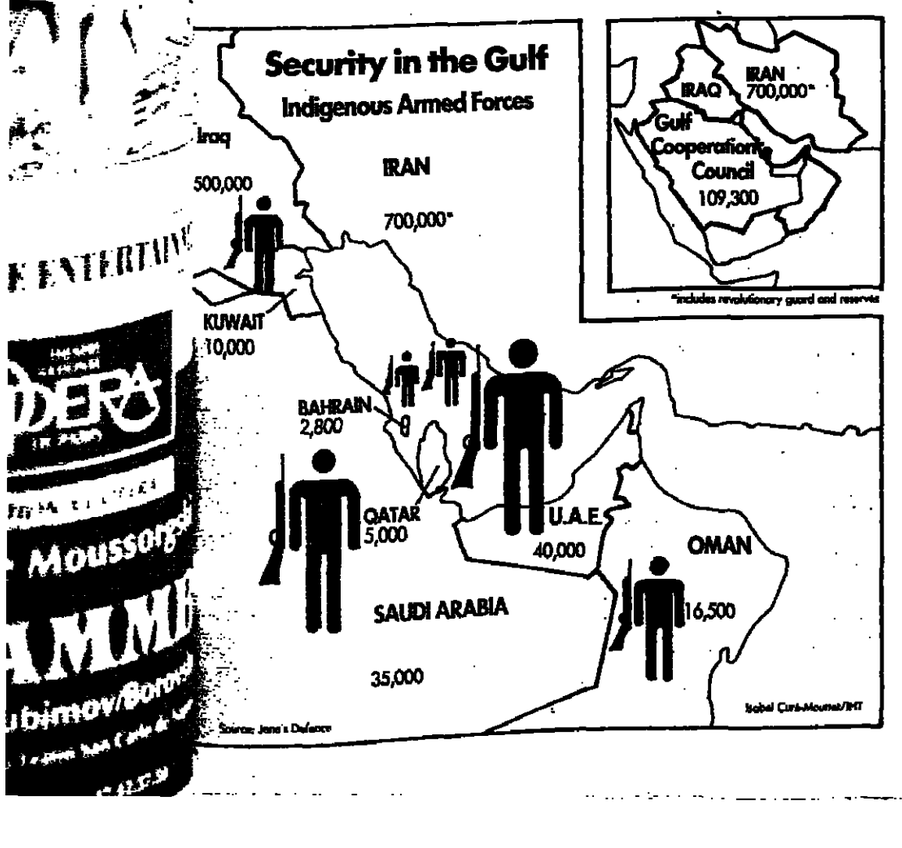
A real improvement in the military capabilities of the Gulf Cooperation Council is, however, noticeable. But using military force on a large scale is still to be avoided. That is why after shooting down an Iranian aircraft in 1984, the Saudis have refrained from directly engaging the Iranians again, despite the continuing attacks on oil tankers by Iran.

The Iranians have, in general, been careful not to provoke the council countries directly since they do not want to confront new military forces.

GHASSAN SALAME is on leave from the American University of Beirut where he is political science professor. He is a Rockefeller Fellow in international relations for 1985-86 and the author of numerous studies on the Gulf area.

His book on Saudi Arabia's foreign policy was published in 1981.





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Banking: Hard Decisions

Offshore Banks Reassess Their Role

Regionally owned banks founded during an oil-price boom were the first to show signs of strain.

By Olfat Tohamy

MANAMA — The pressures produced by the region's deteriorating economic conditions are forcing Bahrain's offshore banks to take a closer look at their past record, clean up their books and set new targets for their operations. As it enters its second decade, this banking center needs a fresh impetus to enable it to catch up with the ever-rising standards of the world's international financial markets.

The number of operating offshore banking units (OBU) is expected to fall by one more this year to 73, from a peak of 77, and the OBU's assets have likewise dropped from a peak of more than $62 billion to $56.8 million at the end of 1985.

The next departure from the island's offshore community will be that of the European Arab Bank, whose shareholders decided to disband and liquidate their worldwide operations at the end of last year. The previous three withdrawals of Security Pacific, Continental Illinois and Marine Midland were also prompted by problems facing these institutions in general rather than their Manama-based outlets.

More significant and with wider implications for Bahrain's status as a money-market center was the closure of a few dealing rooms over the last couple of years. However, their relevance to the total volume and nature of transactions generated out of Bahrain has proven to be minimal. Moreover, the drop in OBU assets, partly reflecting a retrenchment by many banks, also means a growth in off-balance-sheet, fee-earning activities.

The first banks to show signs of strain were a number of regionally owned banks, which were founded at the time of the second oil-price boom of 1979-1981 to cater to commercial businesses of the area's corporate investors, who made up its major shareholders and were thus represented on the banks' boards.

The problems of other regionally owned banks in the last two years have raised questions about the strength of their foundations and the flexibility of their organization. They have had trouble coping with the economic slowdown and such incidents as the crash of Kuwait's Souk al-Manakh, the unofficial stock market. United Gulf Bank, which is the largest of these banks in terms of assets, surprised observers last year by posting a consolidated balance-sheet loss.

Following the board's decision to shift from commercial to investment banking, United Gulf Bank, encouraged by the Kuwaiti government, convinced the Bahrain Monetary Authority to invite four other banks and an investment company to merge into one big investment bank. They are Bahrain International Bank, Bahrain Middle East Bank, Kuwait Asia Bank and the Bahrain and Kuwait Investment Co. The efforts, which started last summer and continued through the beginning of this year, have stumbled on resistance by the Bahrain International Bank and Bahrain Middle East Bank.

The uncovering of the irregularities at Arab Asian Bank was the outcome of the Bahrain Monetary Authority's enforcing closer monitoring of the OBU's operations, starting last year. Its passive stand on the merger issue has drawn criticism, although some bankers argued a bigger bank would not necessarily be a more viable institution than the five banks of which it would be formed.

The monetary authority's attitude partly stemmed from the Kuwaiti government's reluctance to push for an agreement. As a result of its intervention following the Souk al-Manakh crash, it has replaced Kuwaiti individuals possessing a majority stake in these banks.

Having paid dearly for their involvement in the area, both the regional and international banks are reconsidering their exposure, and many are regarding the drop in the volume of lending, including syndicated lending, as a healthy sign. Due to the downturn, the market value of assets providing the collateral for loans has dropped drastically, and so has that of shares traded on Kuwait's two stock exchanges.

New problems arose for the banks that were not prepared to write off bad loans and opted for rescheduling. Courts in Saudi Arabia and the United Arab Emirates began ruling in favor of the debtors' repaying the principal but not the interest on the debt, as fixed interest is considered as being prohibited by Islam. Moreover, many of the once-creditable names, who were offered unsecured loans amounting to hundreds of millions of dollars, suddenly lost their luster. Asserting that all of the major Western banks represented on the island were taken by what he described as "the herd instinct," American Express's general manager, John Filmeridis, said, "We all did euphoric lending, and now it is time for regrets." He expressed doubts about certain widely publicized cases of collapses involving major corporate names such as the Galadari Brothers of the United Arab Emirates and warned of the danger of the spread of what he called "planned bankruptcies."

Although the international expansion drive has proven to be rewarding for the big wholesale as well as the smaller retail banks, many offshore bankers need encouragement to couple their international acquisitions, branches and links with new issues. Mr. Filmeridis underlined the importance of the Gulf's central banks opening discount windows to back the creation of a secondary market in the area. And some of the locally incorporated banks have demonstrated that they can diversify into more specialized areas.

Offices of the Gulf International Bank in Manama.

Tougher Competition Ahead ...Hope Brid...

MANAMA — With 1986 seeming certain to be a more challenging year for Bahrain's banks, they are reassessing their market positions and preparing for tougher competition, which the smaller institutions may prove unable to survive.

The National Bank of Bahrain bank's net profit dropped slightly, but its assets fell by almost a fifth last year, and so did loans and advances extended by the bank. There was a small rise in deposits, as well as a cut in operating expenses, but loan-loss provisions were doubled and the dividend was half that of the previous year.

The bank had adopted a policy of consolidation two years ago, as economic growth began slowing down. "We are moving with the economy, and we are very selective with lending," said Hassan Juma, general manager of National Bank of Bahrain. He pointed out that the sectors to which less credits were directed were the ones most affected by the slump, singling out construction, where he estimated existing empty space to be three times bigger than market demand.

The Bank of Bahrain and Kuwait, which is the country's largest, has not published its annual report, but its mid-year results are comparable with those of the National Bank. Its net profits fell to almost half the previous year's level and its assets and deposits also dropped during the January-June, 1985, period. The slight growth of its loan portfolio thus seemed not to have paid off, as it was largely offset by a rise in reserves.

The three major banks' market share has been growing steadily in spite of the negative tide. But the National Bank, the Bank of Bahrain and Kuwait and Al Ahli Commercial Bank seem to have reached a tacit understanding that they need to dig deeper into the market to preserve their status. The three locally owned banks (the Bank of Bahrain and Kuwait has a share of Kuwaiti ownership and the government has a 49-percent stake in the National Bank), account for 70 percent of the banking sector's assets.

Although Bahrain's private sector was not as badly shaken by the Gulf region's economic downturn, where banks have been hit by bankruptcies, the bigger banks are diversifying away from traditional lending activities. The trend was started last year with the introduction by the Bank of Bahrain and Kuwait of the island's first money-market fund, the Money-Maker Account.

The number of banks most affected by the worsening economic conditions increased last year, as the market's appetite for traditional commercial banking services decreased. With imports falling by 10 percent during the first three quarters of last year, demand for letter of credit and of guarantee issuing fell. So did demand for credits.

Bahrain Monetary Agency statistics also confirm that the local banks' foreign assets are increasing, as the local banks are growing more dependent on the Bahrain-based offshore banks and less interested in developing the local interbank market. Onshore commercial banks' funds placed with offshore banking units soared, as the local banks' foreign assets grew. The Bank of Bahrain and Kuwait and the National Bank are the only local commercial banks with offshore banking units.

The commercial banks' total assets have not decreased, in spite of the recorded fall in assets if the two biggest banks. This result reflects the growth of the middle-tier banks' deposit base. These banks, including the new Bahrain Saudi Bank, Standard Chartered and Bahrain Bank of the Middle East, have been able to maintain their market share and cope with the problems. But the smaller foreign bank branches are under a lot of strain and some seem likely to drop out of the competition for a shrinking market.

Olfat Tohamy

Oil Crisis Puts Economic Plans on Hold

MANAMA — The Bahraini government is facing a serious challenge to its ability to cope with external pressures that are threatening to bring economic growth to a halt. It is closely monitoring the economy's performance and reinforcing its control over expenditure to prevent the balance-of-payments deficit from soaring.

With its confidence in adjusting the country's economy to lower growth rates boosted by the achievement of a small budget surplus for the second successive year in 1985, the government approved at the beginning of this year what now seems to be very optimistic budget projections for 1986 and 1987.

Basing the two-year budget estimates on an average oil price of $20 per barrel, budget forecasts for public revenues were outdated a few weeks after their announcement as the full scale of the world oil market's price collapse became apparent. Before the end of the year's first quarter, the average spot market price per barrel tumbled to half its price two months before.

Last year's remarkable surplus of 20 million dinars ($54 million), which was almost double that of the previous year, thus seems unlikely to be matched in 1986. Moreover, this year's planned 26-million dinar overall budget deficit, most analysts agree, is certain to exceed the planned limits despite government efforts to exercise restraint in spending.

Although Bahrain is much less dependent on income from oil exports, estimated at 60 percent of this year's projected public revenues of 550 million dinars, the drop in oil prices has produced "a bad, uncertain situation," according to the minister of finance and national economy, Ibrahim Abdel Karim.

Bahrain's oil production was kept at its highest possible production level of 42,000 barrels a day through the first quarter of this year. Oil exports, including products from the island's refinery, which is partly fed by Saudi crude, amounted to nine-tenths of total exports last year. Nonoil exports are expected to grow this year, following a disappointing drop last year, as production from two new industrial ventures begins.

Last year's budget surplus was realized largely at the expense of capital spending, with actual allocations for current and new projects cut by double the amount of the surplus. This year's unexpected revenue shortfall is likely to be reflected in a number of projects that represented the last batch in the five-year development plan.

The plan was extended to seven years when the slowdown started. The proposed projects include a new airport terminal and expanded port facilities at Mina Sulman. The bulk of the projects, however, are oriented toward the improvement of health services, power generation, roads, sewage and public housing.

The inauguration of several important projects last year should help the balance of trade and therefore the balance of payments. They are expected to partly offset the fall in oil export revenues by cutting the volume of imports required for their completion and boosting that of value-added exports.

These export-oriented projects, which are also the result of diversification efforts, will increase employment opportunities. They include the $380-million Gulf Petrochemical Industries Company and the Gulf Aluminum Rolling Mill Company.

With the addition of a big desalination plant and a power-generating project last year, other plans no longer seem urgent. This is particularly the case since the slowdown has cut demand for services with the departure of a small portion of the island's expatriate population. The government thus feels confident it can continue to freeze capital investments until the world oil market stabilizes.

The government is adopting a "wait and see" attitude, Mr. Abdel Karim said. He asserted that the government's expenses will remain very close to last year's levels.

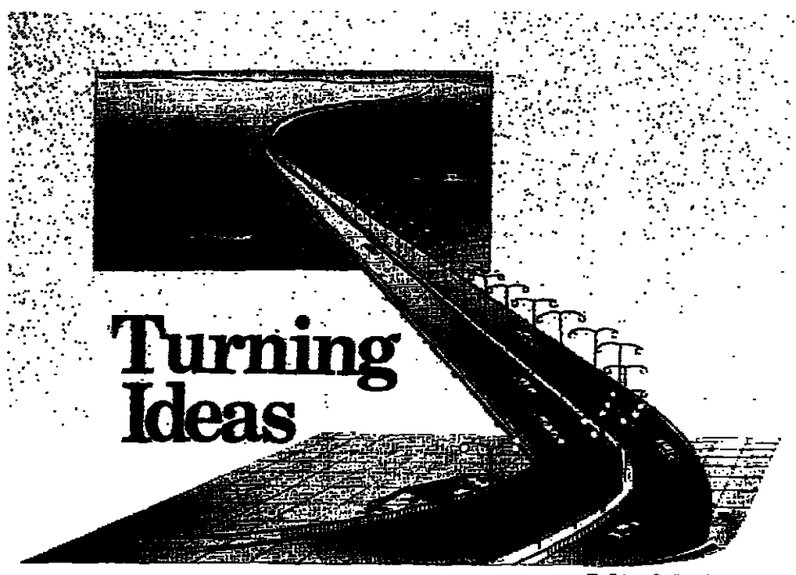
The government's delay in awarding contracts for new projects or prolonging the period of implementation of current ones is adding to the pressure on the private sector, which relies heavily on publicly sponsored spending to set the pace of its activities.

The government, however, is focusing its attention on the less well-to-do. Despite the gloomy prospects for this year's revenues, "we are still resisting tax increases," the minister said.

Mr. Abdel Karim said that privatization may offer new opportunities for the private sector.

The long list of candidates for private equity participation includes hotels and various industries, such as aluminum.

Olfat Tohamy



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Most visitors come from neighboring Gulf states.

New Gulf Link May Alter Region's Economy, Politics

The question is whether Bahrain's influential merchants will be able to compete with their Saudi counterparts across the causeway.

By Ann Fyfe

MANAMA — Travelers on most Gulf flights can now gaze down at the newly completed causeway that straddles the sea idly between Bahrain and Saudi Arabia as both sides continue to negotiate customs and other crossing formalities.

The opening ceremony of the causeway was to have taken place at Bahrain's National Day celebrations in December. Yousef al-Shirawi, the minister of development and industry, said in the spring that it might be in unofficial use by May. By mid-June, the causeway had not yet been opened.

The idea of a physical link between Bahrain and the Saudi mainland had been discussed for years. Finally, the construction contract was awarded as a political move at the time of the 1979 revolution in Iran, which, under Shah Reza Mohammed Pahlavi, had claimed Bahrain and which briefly revived the claim after the revolution. The consequences for Bahrain's society and economy were a secondary consideration.

The question that is asked most often in the Bahraini press is whether Bahrain's influential merchants will be able to compete with their Saudi counterparts across the causeway, who buy on a much larger scale and therefore sell at lower prices.

At the start of Bahrain's annual shop sales on April 1, much was made of the possibility that the sales might be the last chance to move stock before *al-iftitah*, the opening.

If this competition with the Saudis materializes, it will come at a particularly bad time for Bahraini merchants. Because of the recession, the market has been shrinking, and the fall of the dollar against the currencies of Bahrain's main suppliers has put additional pressure on profit margins.

The situation might have come about in any case since the six-nation Gulf Cooperation Council's economic agreement seeks the free movement of goods and uniform customs tariffs throughout the GCC area. The council groups Bahrain, Saudi Arabia, Kuwait, the United Arab Emirates, Qatar and Oman. Bahrain's industries could also be swamped, it is argued, by Saudi products, which are produced under more favorable conditions and often benefit from more generous subsidies.

The problem of surviving without protection is endemic in the council's economic agreement, with or without the causeway, for other states as well as Bahrain. As a result, the council's finance ministers agreed at a conference at the beginning of this month to reschedule the agreement's implementation.

The causeway's economic impact, however, will depend on the kind of customs formalities adopted. If there are no formalities or if allowances are generous, Bahrainis will have an incentive to shop on the Saudi side; for Bahrain-based foreign expatriates, Saudi's attractions will depend on whether Saudi entry procedures are eased. If duty has to be paid on purchases brought back to Bahrain, then the Bahraini merchant will not suffer so much.

According to a survey by Bahrain's statistical service, many basic foods, textiles, domestic appliances and electrical goods, cooking gas, furniture, gasoline and some pharmaceuticals are cheaper in Saudi Arabia.

The gold and jewelry in which Bahrain's merchants have long specialized are cheaper in Bahrain, along with toiletries and cosmetics. Bahrain also outperforms Saudi Arabia in leisure facilities.

It is hoped that visitors will increase their spending on these items. Because of the high-value gold and jewelry, and the aluminum that Bahrain exports to Saudi Arabia, the balance of trade is, in fact, in Bahrain's favor at present.

Of course, not everyone is worried by the threat to merchants' profit margins. If merchants are forced to lower prices, consumers stand to benefit. The reverse applies to the property market. Landowners and landlords of the several thousand vacant apartments and villas are cautiously optimistic that the causeway will generate new demand, while ordinary Bahrainis are apprehensive about the potential rise in prices.

It is argued that employers of Saudi-based workers may choose to relocate their staff or their staff's dependents to the easier-going atmosphere of Bahrain, and businesses may take the opportunity to open new offices on the island.

More Saudi and Saudi-based expatriate tourists may take their weekend breaks in Bahrain and will need serviced apartments and villas.

Again, whether expatriates will really take advantage of the causeway to spend weekends in Bahrain depends on the ease or difficulty of Saudi customs formalities.

There is also the fact that Saudi Arabia, because of the recession, is seeking to reduce its expatriate work force by 600,000, or a quarter, by the end of the decade. In addition, a proportion of the surplus rental property on the market now in Bahrain was built in anticipation of Saudi-generated demand. Thus, although the causeway is good news for landowners, it is not the end of their worries.

For the ordinary Bahraini, on the other hand, any firming of land prices is distinctly bad news. The high cost of setting up a home affects lower-income groups as well as a substantial stratum of the middle class and has been a political issue since the economic upheaval of the early 1970s. The causeway's impact on property prices could enliven the debate further.

In a recent newspaper interview in Akhbar al-Khaleej, Hassan Fakhro, chairman of the Federation of Arab Engineers and head of the Bahrain engineering profession's regulatory body, listed several indirect ways in which the causeway could push up the cost of living for Bahrainis.

Mr. Fakhro noted that most of the island's utilities are heavily subsidized by the government and any increase in their consumption, particularly of electricity, water and gasoline, would result in extra costs for Bahrain.

Added to this would be the increased use of the island's infrastructure and the extra administrative burden that an influx of visitors would entail.

Apart from the financial burden, there is the physical aspect, too. Only a small proportion of the inhabitants of Saudi Arabia's Eastern Province would need to cross the causeway before the island of Bahrain, with its population of about 400,000, became choked. The center of Manama is already fairly congested.

Mr. Fakhro argued that one of Bahrain's costliest investments is in education and manpower training, which are both free. There is a feeling, too, that the higher salaries of Saudi Arabia's Eastern province, only half an hour's drive away, would result in a brain drain that Bahrain cannot afford.

Other observers feel this is unlikely because the salary differential is not that great and because they feel that Bahrainis are not anxious to become migrant workers.

A ministerial committee has been looking at these and other questions since last year.

The chambers of commerce of Bahrain and the Eastern province have held meetings and a causeway authority has been set up.

ANN FYFE is a journalist based in Dubai.

on Ahe... Tourism Hopes linge on Bridge

...on Hold

DILMUN — Bahrain's leisure and tourist facilities are expected to benefit the most from opening of the causeway to di Arabia, although the pre- effects depend on how cus- s formalities will be regulated ne crossing.

Tourist" does not mean the kage-holiday vacationer from ope or North America plan- to sunbathe on the beach do a little sightseeing. The ist in Gulf terminology means er a resident, a visitor from a hboring state traveling for ness or family reasons, or a nessman taking advantage of l recreational facilities. In r words, these are people with ther, primary reason for being ne Gulf.

is these regional travelers m Bahrain is now trying to act, although it is also target- on a smaller scale, travelers to on the many airlines that over in Bahrain.

early half a million non-Bah- i visitors entered Bahrain in of the years 1982, 1983 and . Of these, in 1984, 198,000 tourists, of whom more than 000 came from Gulf states.

nlike its Gulf neighbors, Bah- has a number of acceptable els in the medium-priced e, as well as the five-star in- ational chains that are priced businessmen traveling on ex- e accounts.

he tourism directorate is king on a star-rating system to gorize hotels by their stan- ds and facilities. In the medi- priced hotels, the cost of a ble room ranges from about dinars ($66) to 33 dinars a t exclusive of service charges p to 15 percent. The five-star ls cost from 35 dinars to 48 rs a night exclusive of service ges for a double room.

ccupancy rates on the average estimated to be 40 percent to ercent, but businessmen's ho- do better. The Regency Inter- tinental, the market leader in ns of rooms sold, ended ch at 70 percent occupancy. oteliers predict a much bigger ket for reduced weekend kages after the causeway is ned. These packages are al- ly popular with expatriates in di Arabia's Eastern province will probably be more popu- nce the causeway makes Bah- only a short drive away rath- an an expensive air trip away. andlords hope that regular ors, particularly Gulf nation- will consider renting serviced rtments. The planned Jazeera plex, for example, will have dential apartments, a restau- , health clubs, shops and an skating rink.

or weekenders and family vis- itors, Bahrain is simply a nice place. Its modern facilities are particularly interesting for water-sports enthusiasts. It has yacht and marina clubs, a diving society and several general sports clubs.

Although there is only one sunbathing beach, next year the Zenabis project is to open on the north of Manama island. This beach will be partly open to the public and partly private for residents of the big hotels. A group of investors is also considering a proposal for a huge Disneyland-type park at al-Zallaq.

Many of the expatriate communities have organized groups for natural history, archaeology, amateur theater, music and the arts. And non-Moslem religious observance is remarkably free by regional standards.

Bahrain also has a rich cultural heritage. Among its historic sites are Awali, which is said to be the largest prehistoric burial ground in the world, and the 100,000 undulating mounds dating back to the third and second millenia B.C.

The island has been identified with the trading entrepôt of Dilmun, which linked the civilizations of Mesopotamia with those of the Indus Valley. In the Epic of Gilgamesh, Dilmun is famed for its merchants and its pearls — for which Bahrain was still famous up until the oil era. The Barbar temple complex (dating to about 2500 B.C.) is similar in layout to the Mesopotamian ziggurat and its artifacts are also reminiscent of Ur.

Between the ancient era and the arrival of Islam, few visitors left their mark. Bahrain's own roots include pearling, palm cultivation, maritime trade and Islam — evidence of which can be seen in the dhows, palm trees and mosques (including the 14th-century Souq al-Khamees mosque) on the drive into the city from the airport.

The pearls on sale in jewelers' shops are Bahraini since it is illegal to import cultured pearls into the country. Last year, the government investigated the feasibility of reviving the industry but the results were inconclusive.

Near the main hotels stands a colonnaded building that previously was the law courts and is now the Heritage Museum.

For the world tourist industry, Bahrain will always be too far away, too hot and too expensive for most visitors. Its proximity to the Gulf war zone is also a discouraging factor for tourism. But for the local and expatriate population of the Gulf and for the business visitor, Bahrain does have distinctive pleasures, and its hopes for a future as the region's leisure capital are not unfounded.

Ann Fyfe

Expatriates' Jobs May Be At Risk in Tight Market

MANAMA — Safeguarding jobs for Bahrainis has been an issue in Bahrain's politics for nearly 50 years. During the boom times of the 1970s, when new companies were opening in Manama and established companies were expanding, the Ministry of Labor and Social Affairs used its power to send Bahraini applicants to employers instead of issuing permits for the employer to bring in foreign staff.

Now that the companies are not recruiting but, on the whole, shedding employees in the recession, the tension between the companies' desire to cut overhead and Bahrain's requirement that they create employment has sharpened.

A Ministry of Labor official said in an interview with a Sharjah newspaper in January that the numerical predominance of foreigners in the labor force would be reversed by 1991. At present, foreigners number 80,000 and account for 58.5 percent of the labor force, while Bahraini workers total 60,000, or 41.5 percent.

During the decade 1981-1990, the ministry said, about 4,000 Bahrainis would enter the job market each year, a total of 40,000 new entrants. The total Bahraini element in the work force by 1991 would thus be 100,000. The foreign element is expected to remain unchanged at 80,000, giving a total 1991 work force of 180,000, but 60 percent would then be Bahraini and only 40 percent foreign.

Those figures, however, were calculated on the assumption that economic growth in Bahrain would be 3 percent per annum. Today, of course, any projected growth looks academic. The 4,000 Bahrainis are still entering the market every year but, since new jobs are not being created, it is obvious that the number of foreigners cannot remain unchanged if the Bahrainis are to be absorbed.

In the four and a half years left before the end of the decade, 18,000 Bahrainis will need jobs; if economic growth fails to reach 2 percent a year, and at present it is failing to do so, then a further 12,000 entrants from earlier years may be unassimilated, making a total job requirement of up to 30,000. The Strategic Committee on the Economy has prepared a preliminary report for the cabinet on the options available, but it is inescapable that pressure on employers to replace expatriate employees with Bahrainis can only intensify.

The Bahraini proportion of 41.5 percent within the work force is an average; in the government sector, Bahrainis represent 70 percent whereas the private sector at the beginning of the 1980s was only 27-percent Bahraini. Indians made up 34 percent of the private sector, Pakistanis 19 percent, British nationals, Koreans and other Arabs 4 percent each and other nationalities accounted for 8 percent.

Since the civil service's room to recruit is severely circumscribed by the question mark over oil revenues, pressure to take on Bahrainis falls on the private sector.

The private sector, however, is determined to cut overheads, which are high in Bahrain.

When the private sector was recruiting, the Ministry of Labor used its power to recommend Bahraini job seekers to employers who applied for permits to recruit expatriates. Now that the companies are not recruiting, the ministry has started making use of leverage it has always had in reserve: the power to scrutinize applications for the renewal of residence visas for expatriates already employed.

Most of the 80,000 foreign workers have two-year visas. As these come up for renewal, the ministry now sorts them by job category, matches up its files of Bahraini job seekers and suggests a Bahraini to the company applying for the renewal. The ministry then negotiates with the company over the length of time for which the expatriate's residence will be renewed to ensure an efficient hand-over of the job to the Bahraini.

Ann Fyfe

KUWAIT ASIA BANK E.C.

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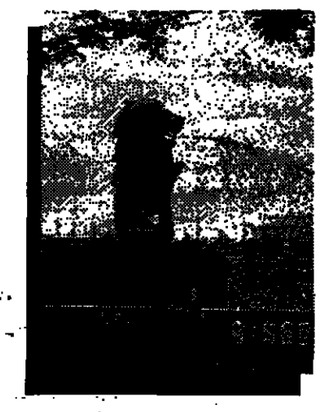
(Expressed in thousands of U.S. dollars)

December 31, 1985 and 1984

ASSETS	1985	1984
Cash and due from banks	2,347	1,689
Time deposits	238,732	225,030
Trading and investment securities	134,709	115,613
Loans and advances, net	241,778	206,396
Investments in and advances to affiliates	13,173	10,697
Property and equipment, net	8,960	5,259
Accrued interest and other assets	9,445	9,018
	649,144	573,702

LIABILITIES AND SHAREHOLDERS' EQUITY		
Demand and call deposits	2,442	177
Time deposits	470,403	395,259
Floating rate certificates of deposit, net	39,907	39,821
Accrued interest and other liabilities	9,576	11,370
Proposed dividend and directors' fees	4,245	5,245
Total liabilities	526,573	451,872
Shareholders' equity:		
Share capital: 150 million authorised shares, of which 100 million are issued and fully paid; stated value $1 per share	100,000	100,000
Reserves	20,780	20,281
Retained earnings	1,791	1,549
Total shareholders' equity	122,571	121,830
	649,144	573,702



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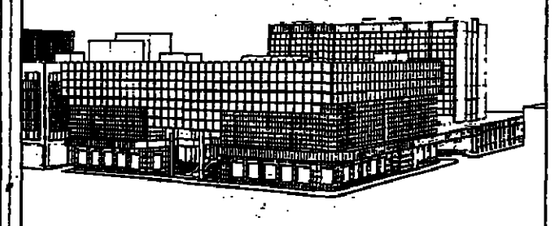

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The Decline in Oil Prices

Industrialization Plans in Doubt

By Robert Bailey

LONDON — In spite of a population of little more than 350,000 and an area smaller than any of its Gulf Cooperation Council partners, Bahrain has managed to build up one of the most extensive industrial infrastructures in the region.

Development of the island's heavy industries since the early 1970s has been spurred by the knowledge that Bahrain's oil, on which the country is dependent for 60 percent of its revenues, is likely to run out in the next 10 to 15 years.

The island is fortunate in that most of its program of heavy-industry diversification was implemented and paid for in years when its oil commanded maximum prices in international markets. However, it is unclear now how far this diversification can be sustained and how far existing ventures will be affected by Bahrain's lower oil income and that of other Gulf Cooperation Council participants in its industries.

The budget for 1986-1987 announced in January, with a spending projection of 1.11 billion dinars ($2.97 billion), up 6 percent on the previous year, showed confidence. But the continuing weakness in the oil markets raises doubts.

The development and industry minister, Yousef Ahmed al-Shirawi, was quoted in March as saying he was confident that established industries would not be unduly affected, but he added that "the price of oil must hover between $22 to $25 a barrel, anything less will hurt."

Almost all of Bahrain's industrialization plans are predicated on the close cooperation and involvement of its Arab neighbors as well as foreign partners. Such participation is well established in Aluminum Bahrain (ALBA), the oldest major industry on the island. Saudi Arabia Basic Industries Corp. (SABIC) has a 20-percent share in ALBA along with Kaiser Aluminum (17 percent) and Breton Investments, a subsidiary of West Germany's Eckhard-Werke (5.1 percent).

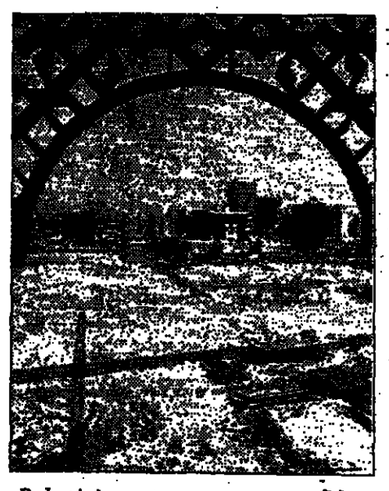
Recently, ALBA's shareholders have been asked to provide extra financing for a 60-million-dinar expansion designed to extend ALBA's aluminum production capacity by 25 percent by 1991. The company has increased productivity while reducing its work force 40 percent since its operations began in 1972.

A further development of Bahrain's aluminum industry was the start-up in January of Gulf Aluminum Rolling Mill Co.'s (GARMCO) $100-million plant on Sitra Island, the first such facility in the Middle East. The member states of the Gulf Organization for Industrial Consulting (GOIC) — Bahrain, Saudi Arabia, Kuwait and Iraq — each own 20 percent of GARMCO. Qatar and Oman each have 10-percent shareholdings.

Bahrain's second-oldest heavy industrial enterprise, the Arab Shipbuilding & Repair Yard (ASRY), also faces competition from Dubai's shipyard and dry docks in the United Arab Emirates. The ASRY yard has had mixed fortunes since it began operations nine years ago and has yet to record a profit.

In the immediate future it seems likely that planned major investments will be reduced in scope, if not abandoned, until the oil market returns to relative stability. For existing industries, close coordination with Gulf partners is likely to be more necessary than ever.

ROBERT BAILEY is the special reports editor of the Middle East Economic Digest, published in London.



Bahraini contractors are confident that construction will pick up following a lull due to falling oil prices.

Diversification Seen Paying Off in End

By Toby Odone

LONDON — Bahrain's short-term prospects, like those of its neighbors in the Gulf, have been severely dented by the sharp reduction in oil prices in the last six months. But its efforts over the last 10 years to diversify its economy and to encourage the private sector are expected to provide some long-term solace.

There is also the prospect of a mini-boom when the causeway linking Saudi Arabia opens.

The sharp decline in oil prices, by nearly 50 percent from about $26 a barrel last September, has come at an unfortunate time for Bahrain. It is a small producer and its output had been declining at a rate of about 5 percent a year since 1975.

In 1985, however, the Bahrain National Oil Co. (BANOCO) managed to increase production slightly to an average of 41,800 barrels a day from about 41,700 barrels the previous year.

Despite expectations of a tighter budget for 1986-1987, the government announced plans to increase spending over the levels of the previous two years. With spending planned at 1.11 billion dinars ($2.97 billion) compared with actual expenditure in the previous two-year period of 1.04 billion dinars, the government said that it was backing continued growth. The expected deficit of more than $50 million in 1986 will be financed by a treasury bill issue.

Complete details of the expected capital spending in the next two years were not available. However, among the budgeted items, more than $200 million is to go to roads and sewage in those two years and $200 million to housing. A total of $36 million is to be spent on expanding the airport.

While there are unlikely to be any projects on the scale of the Arab Gulf University, which was financed by the Gulf Cooperation Council and Iraq, and the causeway, which was financed by Saudi Arabia, local contractors are reasonably confident that business will pick up following a lull early in the year as the shock of the drop in oil revenues was absorbed.

Among the probable casualties is a planned $7-million Ministry of Foreign Affairs building for which designs and tender documents were prepared by Lebanon's Khatib & Alami. Now the ministry is reported to be looking for alternative offices to rent. The new-town project at Fasht al-Adham, which was to be completed over 20 years, is also likely to be affected.

For the last two or three years, the government has sought to develop utilities, housing and other infrastructure. A proposed $50-million terminal at the airport is likely to get the go-ahead. Unlike many of its neighbors, Bahrain has only one terminal to handle both arrivals and departures at its international airport. Because of its position between Europe and the Far East, it is a stopover point for many carriers picking up and delivering passengers en route to or returning from other Gulf destinations.

There are also plans to spend more than $80 million to expand facilities at the port. Activity at the port is expected to increase once the causeway with Saudi Arabia is opened. Four new berths for containers and general cargo are planned.

The private sector is also expected to provide some work for construction companies. A Kuwaiti businessman, Ahmad Jarallah, was expected to award contracts for the construction of a leisure complex in Manama. The complex calls for a 23-story tower block with apartments, restaurants, shops, swimming pool, health clubs and car parks.

Two British-Bahraini joint ventures were recently reported to be negotiating contracts with Mr. Jarallah. The two companies, Unicon and Cementation Arenco, are also proposing financing packages.

International companies, however, will not get a chance to bid for the proposed new headquarters in Manama for the regional carrier, Gulf Air. Bids for the $10-million to $15-million building are to be limited to companies from the four owner countries.

The low-level, four-story building will have a total floor area of 30,000 square meters (322,917 square feet). Construction is expected to start toward the end of the year. Consultants for Gulf Air on the project are the Bahraini firm of Mohammed Salahuddin and Abbey & Hanson Rowe of Britain.

As in many other Gulf countries, the government is making efforts to ensure that Bahraini companies are not forced out of business by foreign competition. In 1983, for example, the public works department had a classification system that limited the size of contracts companies could bid for to the size of the company.

In recent years, overseas contractors have, therefore, been limited to specialist works and to large, complicated projects. The larger contracts at the Arab Gulf University, for example, went to overseas companies. Any remaining international companies still operating in Bahrain have already reduced their size substantially and in the next few years are expected to give way to locally owned firms.

TOBY ODONE is a staff writer for the Middle East Economic Digest.

Oil Infrastructure Is Strong

By Randa Takkiedine

GENEVA — Although Bahrain is a modest producer of crude oil by Middle East standards, it has a well-developed oil industry, with its large sophisticated export refinery, the Bahrain Petroleum Co., operated as a joint venture with Caltex.

Its refining capacity is 250,000 barrels a day and its output is mainly designed for Asian markets, with only a few sales in Europe. The refinery processes crude produced from Bahrain's oilfields and imported from Saudi Arabia.

In 1985, Bahrain's oilfields produced 41,922 barrels a day, less than the 50,000 barrels in 1978, but slightly higher than the low point of 1984, when production reached 41,774 barrels a day. The rise in output from 1984 to 1985 was achieved through a more coordinated use and improvement of wells.

The Bahrain National Oil Co. (BANOCO) launched a five-year development program in January aimed at maintaining the Awali oilfield output by the beginning of the 1990s. According to its director-general, Mohammed Saleh Sheikh Ali, the program provides for the drilling of 20 wells a year to increase output by 3,000 barrels a day to 5,000 barrels a day.

BANOCO is concluding an enhanced oil recovery study for the shallower zones lying between 1,600 feet and 2,000 feet (486 meters to 609 meters) involving steam injection and water flooding.

In addition to this modest internal oil production, Bahrain has 65,000 barrels a day of crude oil from the Abu Saafa oilfield in the offshore area between Saudi Arabia and Bahrain, owned 50-50 by both countries.

Depending on how much crude they are putting through their refinery, the remainder of crude needed is bought from Saudi Arabia, currently on a pricing system that pegs the price of crude to that of the refined products in specific markets. The total refinery output in 1985, according to statistics released by the oil directorate of the Bahrain Ministry of Development and Industry, ran at 180,083 barrels a day, with 41,951 barrels a day of Bahraini crude and 120,741 barrels a day of Saudi Arabian crude, a declining output from its 200,577 barrels a day level in 1984.

This production fall could be attributed to the increasing competition that Bahrain, as a refining center for Asian markets, is encountering from other centers like Singapore and from export refineries in Saudi Arabia, Kuwait and Abu Dhabi. Petroleum products exports of Bahrain dropped from 198,592 barrels a day in 1984 to 178,995 barrels a day in 1985.

At the beginning of 1985, arrangements were concluded between the Bahraini authorities and Caltex, the joint partner in the Bahrain Petroleum Co. (BAPCO) refinery, to provide technical services required by the refinery and to carry out a study for the modernization of the refinery for the upgrading of processing techniques and the quality of products.

Together with the drop in the output of the refinery because of increased competition from other refining centers for the same market, the rapid decline in the price of oil in the international market will have a significant effect on Bahrain's revenues from the sales of refined products.

In January of this year, the Bahraini government approved a 1.11-billion dinar ($2.97-billion) budget for 1986-1987. The minister of finance and national economy, Ibrahim Abdel Karim, announced later that the debt ceiling had been increased from 30 million dinars to 100 million dinars. According to Mr. Abdel Karim, the government's actual borrowing will depend on the price of oil. He suggested that below $20 a barrel, the government would need to raise 70 million dinars, about half of which will come from the local market.

However, Bahrain is not a member of the Organization of Petroleum Exporting Countries, hence its economy is more diversified than most countries in the area and it is not as dependent on oil as the other Gulf Cooperation Council members — Saudi Arabia, Kuwait, Qatar, the United Arab Emirates and Oman.

Bahrain also produces some of its own natural gas. This production increased from 397 million cubic feet per day in 1984 to 475 million cubic feet in 1985, according to official statistics. It also has liquid gas supplies from an LPG plant at Jebel al-Dukhan owned by the Bahrain National Gas Company (BANAGAS), a company owned 75 percent by the Bahrain National Oil Co. (BANOCO), 12.5 percent by Caltex and 12.5 percent by Arab Petroleum Investment Corp. (APICORP).

BANOCO has a program for the development of the Khuff gas reservoir. According to the company's director-general, the first phase of this program, consisting of drilling 10 Khuff wells, has been completed and new formations deeper than the Khuff were reached.

RANDA TAKKIEDINE is a Paris correspondent for an-Nahar Arab Report, a Lebanese publication. She specializes in Middle-Eastern affairs.

Arlabank International E.C.

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ARLABANK

Head Office:
Manama Centre, Entrance 4
Government Road, Manama,
State of Bahrain,
P.O. Box. No.5070.

Telphones: General 232124
Dealing 232118
Telex: General 9345 ARLABK
Dealing 9393 ARLAFX

Panama Branch:
Edificio Vallarino, 14th floor
Elvira Mendez y Calle 52
P.O. Box 68082, El Dorado
Panama
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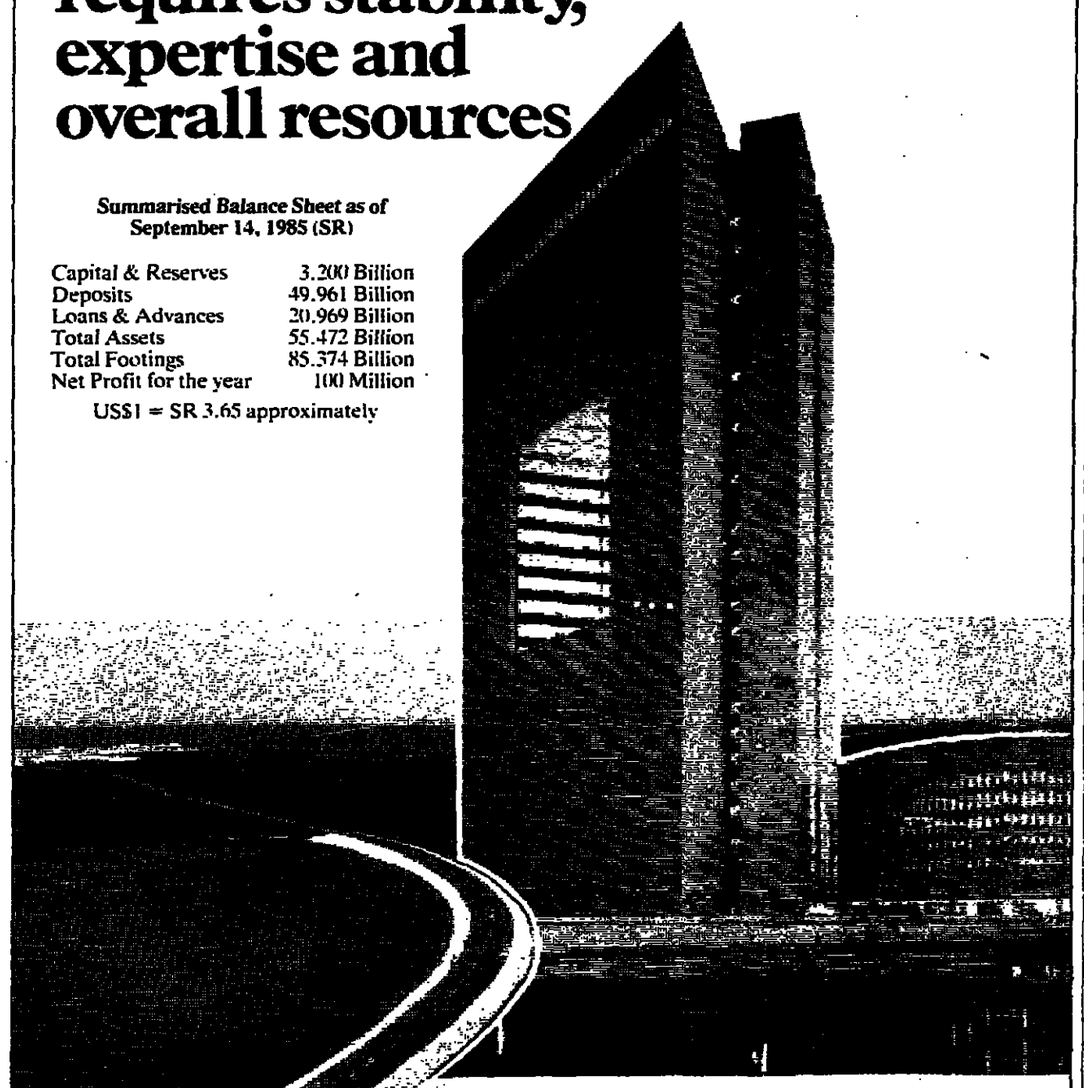
Summarised Balance Sheet as of September 14, 1985 (SR)

Capital & Reserves	3.200 Billion
Deposits	49.961 Billion
Loans & Advances	20.969 Billion
Total Assets	55.472 Billion
Total Footings	85.374 Billion
Net Profit for the year	100 Million

US$1 = SR 3.65 approximately



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THE SAUDI NATIONAL COMMERCIAL BANK

Offshore Branch of the National Commercial Bank

Head Office: King Abdul Aziz Street, Jeddah. P.O. Box 3555. Telex: 605571. Cable: Banksaudi
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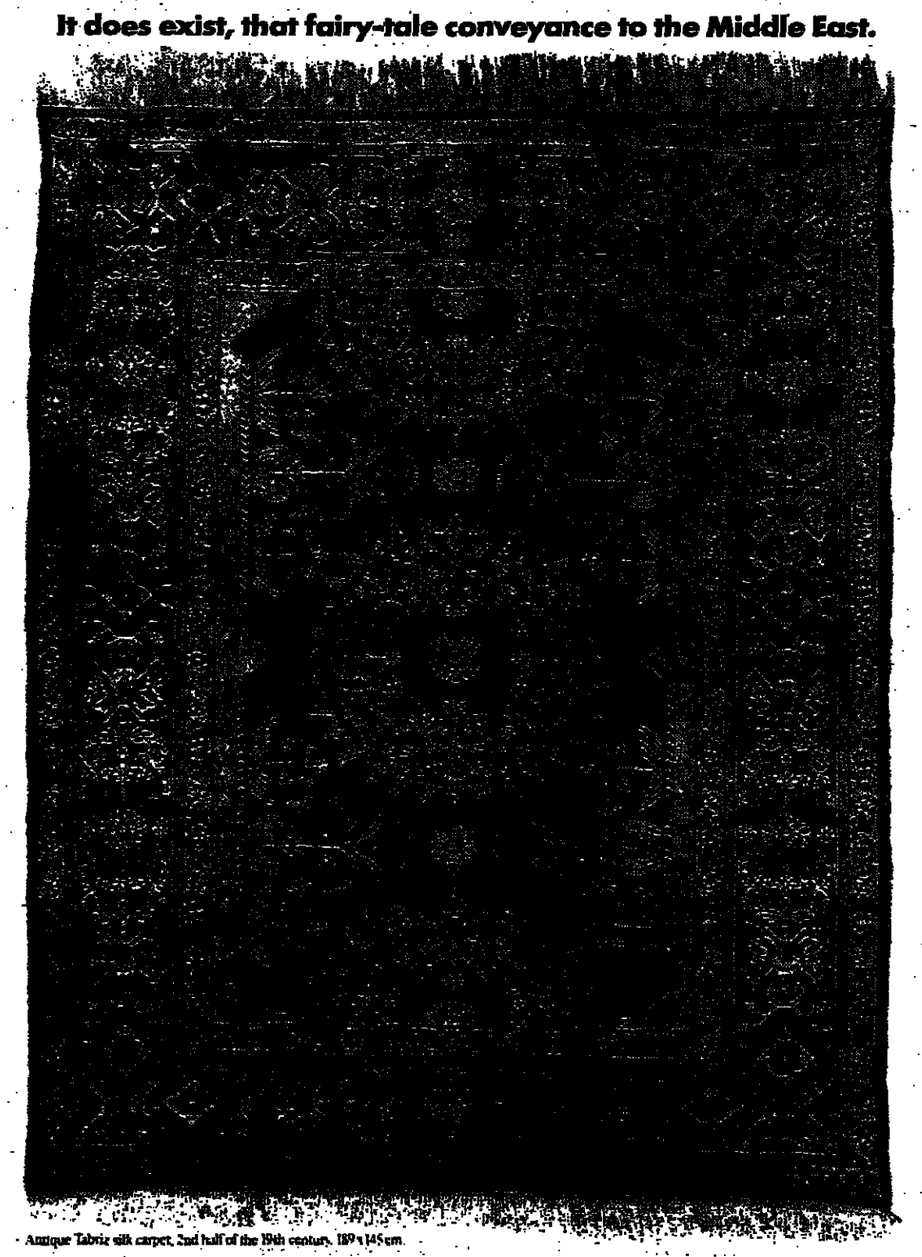
It does exist, that fairy-tale conveyance to the Middle East.



Antique Tabriz silk carpet, 2nd half of the 19th century. 189 x 145 cm.

You really can experience a magic journey several times a week from Switzerland to Abu Dhabi, Baghdad, Bahrain (as of May 29, 1986), Dhahran, Dubai, Jeddah, Kuwait, Riyadh and Tehran in Swissair's wide-bodied jets. This is ensured not only by attentive service and proverbial Swiss hospitality, but also by refined cuisine and a wide variety of inflight entertainment. Looked at in this way, a Swissair flight calls to mind the most delightful pages from the 1001 Nights.

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هكذا من الأصل

International Herald Tribune

BUSINESS / FINANCE

WEDNESDAY, JUNE 18, 1986

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INTERNATIONAL MANAGER

New Theories About Stress And Type-A Personalities

By SHERRY BUCHANAN
International Herald Tribune

LONDON — Stress has become universally associated with corporate life: the ultimate scapegoat to some, the corporate killer to others. The English word is being widely used in French business lingo, *"Je suis stressé,"* (I am stressed), and the Japanese have come up with a new compounded word, techno-stress, describing the pressure to keep up with new technology.

Yet medical researchers and practitioners do not agree on how people respond to stress, if there is a stress-prone personality and if there are stress-correlated diseases. Because there is such uncertainty about the nature of the beast, there is equal confusion about the remedies for it.

The biggest menace are the stress-carriers, who may pass it on to others.

New research now is challenging the notion that overly aggressive executives, or so-called Type-A personalities, run a higher risk of having a heart attack than do laid-back executives, or those with Type-B personalities.

In the 1970s, cardiologists Raymond Rosenman and Meyer Friedman linked Type-A personalities to higher coronary risks. Type A's are defined as being time-conscious, achievement-oriented and aggressive, even hostile, people. Many psychologists and other doctors then zeroed in on executives as prototypes of Type-A behavior.

But, according to new research by Dr. Redford Williams at Duke University in Durham, North Carolina, not all Type-A personalities run a higher risk of heart attack. Dr. Williams is one of a number of researchers who have found that only Type A's who harbor hostility, often subsconsciously, run such risks.

SOME corporate doctors and therapists already had come to the same conclusion — finding that some executives actually thrive on the pressures of their job. The new research suggests that stress-happy executives may in fact remain physically healthy.

"The biggest menace are the stress-carriers," says Gerry Rickards, president of Gerry Rickards Associates, a health and fitness consultant to a number of London-based companies. "They may in fact be immune to their own stress levels, but, like disease carriers, they may pass it on to others who don't cope as well with the high levels of stress these stress-carriers cope with."

Some companies have discontinued the use of stress-level tests either because they believe they were not conclusive or because they violated the executive's privacy. Medical staffers at Rank-Xerox International's fitness program no longer try to determine executive stress-levels through physiological and psychological tests, but use an informal one-to-one interview with executives who want to join the fitness program.

Control Data's Staywell program, for instance, does not use Type-A personality tests to determine employee stress levels. "There are no good tests devised to determine who is a Type-A personality," says a spokesman for Control Data.

But some companies already include stress-level tests into corporate fitness programs and others are considering such a step.

"Companies are starting to include stress measures in their health and fitness programs," says Cary Cooper, professor of psychology at the University of Manchester Institute for Technology and an authority on executive stress. "Companies have long used personality tests as a selection tool for employment, but not as a health-screening device."

Dr. Malcolm Carruthers, director of the Positive Health Center

See STRESS, Page 20

Currency Rates

Cross Rates *June 17*

	$	£	D.M.	F.F.	I.L.	Gldr.	B.F.	S.F.	Yen
Amsterdam	2.505	3.781	112.46 *	35.325 *	N.A. *	—	N.A. *	N.A. *	N.A. y
Brussels(a)	45.45	68.545	20.4338	6.4085	2.9775 *	18.14	—	24.7945	27.2375 *
Frankfurt					Closed				
London (b)	1.504	—	3.3645	10.731	2,301.50	3.7803	68.59	2.779	252.145
Milan	1,526.20	2,303.30	686.30	215.25	—	609.41	33.589	832.54	9.144
New York(c)	—	0.6651 x	2.228	7.137	1,536.00	2.522	45.735	1.8483	167.95
Paris	7.0885	10.697	3.1889	—	4.6475 x	2.8308	15.607 *	3.8698	4.247 *
Tokyo	166.30	250.28	74.83	23.48	10.865 *	66.41	365.49 *	90.87	—
Zurich	1.8373	2.771	82.52 *	25.90 *	0.1202 *	73.35 *	4.0384 *	—	1.1014 *
ECU	0.9661	0.6404	2.1476	6.8486	1,473.77	2.4191	43.8823	1.7708	161.337
SDR	1.16003	0.77379	N.Q.	8.27958	N.Q.	2.9259	53.087	2.1398	194.243

Closings in London and Zurich, fixings in other European centers. New York rates at 4 P.M. (a) Commercial franc (b) Amounts needed to buy one pound (c) Amounts needed to buy one dollar (*) Units of 100 (x) Units of 1,000 (y) Units of 10,000 N.Q.: not quoted; N.A.: not available.
(d) To buy one pound: $U.S.1.5805

Other Dollar Values

Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$	Currency	per U.S.$
Argen. austral	0.80	Fin. markka	5.14	Mex. peso	621.00	Soviet ruble	0.7205
Austral. $	1.4445	Greek drac.	138.50	Norw. krone	7.57	Span. peseta	141.55
Austr. schill.	15.44	Hong Kong $	7.808	Phil. peso	20.25	Swed. krona	7.1855
Belg. fin. fr.	45.47	Indian rupee	12.55	Port. escudo	147.00	Taiwan $	38.10
Brazil cruz.	13.77	Indo. rupiah	1,129.00	Saudi riyal	3.7505	Thai baht	26.285
Canadian $	1.3878	Irish £	0.7252	Sing. $	2.2293	Turkish lira	668.35
Chinese yuan	3.2015	Israeli shek.	1.49	S. Afr. rand	2.584	UAE dirham	3.673
Danish krone	8.22	Kuwaiti dinar	0.2942	S. Kor. won	886.50	Venez. boliv.	18.95
Egypt. pound	1.37	Malay. ring.	2.6165				

Sterling: 1.1188 Irish £

Sources: Banque du Benelux (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); IMF (SDR); BAII (dinar, riyal, dirham); Goskbank (ruble). Other data from Reuters and AP.

Interest Rates

Eurocurrency Deposits *June 17*

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	ECU	SDR
1 month	6 13/16-7 1/16	4 7/8-4 15/16	5 1/16-5 3/16	9 15/16-10 1/16	7 3/8-7 1/2	7 1/8-7 1/4	
2 months	6 7/8-7	4 7/8-4 15/16	5 1/16-5 3/16	9 7/8-10	7 3/8-7 1/2	7 1/8-7 1/4	
3 months	6 7/8-7	4 7/8-4 15/16	5 1/16-5 3/16	9 3/4-9 7/8	7 3/8-7 1/2	7 1/8-7 1/4	n.a.
6 months	6 7/8-7	4 1/2-4 5/8	4 7/8-5	9 11/16-9 13/16	7 1/2-7 5/8	7 1/8-7 1/4	
1 year	7 1/16-7 3/16	4 5/8-4 3/4	4 13/16-4 15/16	9 1/2-9 5/8	7 1/2-7 5/8	7 3/16-7 5/16	

Sources: Morgan Guaranty (dollar, DM, SF, Pound, FF); Lloyds Bank (ECU); Reuters (SDR). Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates *June 17*

	Close	Prev.
United States		
Discount Rate	6 1/2	6 1/2
Federal Funds	6 11/16	6 13/16
Prime Rate	8 1/2	8 1/2
Broker Loan Rate	7 3/4	7 3/4
Comm. Paper 90-179 days	6.70	6.75
3-month Treasury Bills	6.07	6.11
6-month Treasury Bills	6.13	6.21
CD's 30-59 days	6.38	6.42
CD's 60-89 days	6.39	6.44
West Germany		
Lombard Rate	5.50	5.50
Overnight Rate	Clsd.	4.35
One Month Interbank	—	4.55
3-month Interbank	—	4.60
6-month Interbank	—	4.65
France		
Intervention Rate	7	7
Call Money	7 1/8	7 1/4
One-month Interbank	7 1/16	7 5/16
3-month Interbank	7 1/8	7 5/16
6-month Interbank	7 3/16	7 5/16
Britain		
Bank Base Rate	10	10
Call Money	10	10 1/4
91-day Treasury Bill	9 15/32	9 1/2
3-month Interbank	9 13/16	9 31/64
Japan		
Discount Rate	3 1/2	3 1/2
Call Money	4 5/16	4 7/16
60-day Interbank	4 1/8	4 1/8

Sources: Reuters, Commerzbank, Crédit Lyonnais, Bank of Tokyo.

Asian Dollar Deposits *June 17*

1 month	6 13/16 - 7 1/16
2 months	6 7/8 - 7
3 months	6 7/8 - 7
6 months	6 7/8 - 7
1 year	7 1/16 - 7 3/16

Source: Reuters.

U.S. Money Market Funds *June 17*

Merrill Lynch Ready Assets
30 day average yield: 6.08
Telerate Interest Rate Index: 6.666

Source: Merrill Lynch, Telerate.

Gold

June 17

	A.M.	P.M.	Ch'ge
Hong Kong	337.15	337.80	— 10.05
Luxembourg	337.75	—	— 8.75
Paris (12.5 kilo)	337.51	338.30	— 8.92
Zurich	n.q.	337.00	— 2.25
London	337.30	336.75	— 2.55
New York	—	336.70	+ 1.90

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York Comex current contract. All prices in U.S. $ per ounce.
Source: Reuters.

Markets Closed

Financial markets were closed Tuesday in West Germany for a holiday. Markets will be closed Wednesday in Egypt for a holiday.

Egypt Approves GM Plan

Opel Production To Begin in 1987

Compiled by Our Staff From Dispatches

DETROIT — General Motors Corp. said Tuesday it had received final permission from Egypt to assemble cars and establish parts-making ventures in Egypt involving as many as 18 U.S. and European companies.

Under the $300-million agreement, a new company called General Misr Car Co. will begin producing Opel models next year from imported kits at an existing Egyptian state-owned plant. It will be one of the largest American joint ventures in the Middle East.

The plan also gives GM a new source of lower-cost parts to export to its European operations, which had a loss of $372.1 million last year.

The new company will be 30-percent owned by GM and 70 percent by Egyptian investors, including the state-owned El Nasr Automotive Manufacturing Co., or NASCO, with 30 percent, and Misr Iran Development Bank & Export Development Bank of Egypt.

The Egyptian government said in March that it had accepted GM's proposal to assemble cars in Egypt over a proposal from Fiat SpA of Italy, which will lose its top spot as the major car builder in Egypt. Nissan Motor Co. of Japan and Peugeot SA of France also made offers.

Under the plan, GMCC will import from West Germany, France and Spain parts for the four-door, 1.2-liter (0.32-gallon) Opel Corsa and 1.6-liter Opel Ascona models. They will be assembled using NASCO and Arab Vehicle Co. facilities.

James G. Dunn, managing director of the new company, said GM and GMCC would oversee product quality, material controls and production schedules. NASCO will provide the technical assistance to re-equip and upgrade the plant.

(Reuters, UPI)

Fear and Profit at a Texas Crossroad

Peso Traders Reap Fruits Of Mexico Financial Crisis

By Thomas C. Hayes
New York Times Service

HIDALGO, Texas — Simón González Reséndez held up a check made out to his family's currency-exchange business here for 74.5 million pesos, and shook his head. "This fellow, he's in trouble now," he said.

The check writer, who lives near this scruffy border town, had exchanged his pesos for $100,000 in hopes that the peso would continue to dive. Instead, it has recovered sharply — from 745 to the dollar last week to less than 630 — leaving the speculator with a paper loss of about $15,000.

Since last November, when the Mexican government moved to restrict trading in pesos by American banks in Mexico, more people have turned to money changers such as the González family.

The majority of the people who use the money changers are Mexicans who want to convert their pesos into dollars for deposit in the United States, for safety's sake, or who need dollars to shop in the United States. The exchange houses are sanctioned by the U.S. and Mexican governments.

Roughly four out of five money changers trade pesos and dollars only for walk-in customers. The trades are usually in amounts of $50 or less and at daily volumes under $50,000.

But a growing number of the money changers, including the González operation here, also act as wholesalers, handling $1 million or more a day in transactions from companies, individuals and other traders in major cities in both countries, from Mexico City to Dallas, Miami and San Diego.

When the peso's value starts to swing wildly — as it has done in recent weeks — business booms.

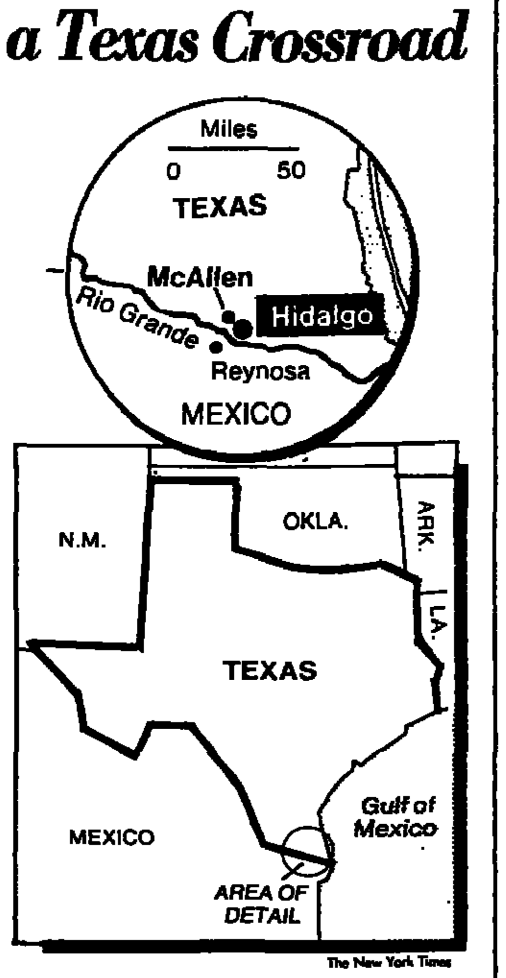
"The volume is tremendous," said Dwayne Jernigan, the agent in charge of enforcement for the U.S. Customs Service in nearby McAllen, Texas, about 350 miles (560 kilometers) south of Houston. "The quick and easy way for people is to go to the exchange houses, and that's what they do."

Currency traders say the bigger exchange houses helped moderate the recent panic that was set off when the Bank of Mexico apparently ran short of dollars and rumors swirled about Mexico's uncertain economic future.

Throughout the weekend of June 7-8, traders said, the large wholesale houses were swamped with customers, many placing orders, by telephone, to sell pesos to dealers and speculators.

At the González exchange house, the usual lines of tourists were replaced by anxious Mexicans from Reynosa, a city of half a million just across the Rio Grande, and from Monterrey 150 miles to the south, and other points in the interior. At the private exchange houses, the peso had plummeted nearly 40 percent against the dollar, from 549 on June 3 to a low of 760 on Friday, June 7.

"They were scared, you could see it in their eyes," said Mr. González, a 31-year-old naturalized American. "If we would have asked for 800, they would have paid it."



The New York Times

He said many people cashed in peso-denominated certificates of deposit from Mexican banks, representing their life savings in some cases. "They are afraid that the rate soon will be over 800, and perhaps they are right," he added.

The peso closed at 623 to the dollar in New York on Monday.

Whatever human dramas are played out at the teller counter, they pale in comparison with the charged atmosphere in an adjacent, smartly furnished private office in which Mr. González and his 28-year-old sister, Blanca Alicia Ballesteros, execute what he says are millions of dollars in wholesale trades daily.

Equipped with a computerized Reuters financial news wire, a machine to detect counterfeit bills, thick files of telephone numbers and four phone lines, it is the family's version of a New York currency-trading room.

Money changers can make their biggest profits when a currency's value soars or plunges. The volatility can create a wide spread — the difference between the price money changers pay and what they sell for. In the case of the peso, the spread has risen to as wide as 30.

The prices quoted at the private exchange

See PESO, Page 20.

Pretoria Unveils Spending Plan To Spur Growth

Agence France-Presse

CAPE TOWN, South Africa — Finance Minister Barend du Plessis unveiled Tuesday a package of measures to stimulate the flagging South African economy, including a plan to spend more on housing for the poor.

Speaking in Parliament, he said that the 1.2-billion-rand ($448-million) program should ensure a growth rate this year of at least 3 percent in inflation-adjusted gross domestic product and boost income, employment, production and general economic activity.

GDP measures the total value of goods and services, excluding income from foreign investments.

The stimulatory package includes 750 million rand for low-cost housing for all races, and another 50 million rand for job creation and training.

The minister said that the provision of low-income housing was one of South Africa's most pressing problems.

Under the plan, the government will pay back about 300 million rand taken from individuals and companies through a "loan levy" in 1980.

The government also cut motor-vehicle excise duties in a bid to help the country's ailing auto industry, boosted funds for technological development, and increased its aid to small businessmen and exporters.

Mr. du Plessis said that the program was designed to prevent increased inflation, now at an annual rate of more than 18 percent, and to ensure a healthy current-account surplus to handle foreign debt repayments. Current account is a broad trade measure including merchandise as well as nonmerchandise items such as services.

He said that the economy had "not performed up to expectations" during the first quarter of 1986 and that the economic upswing that began late last year had lost momentum.

Mr. du Plessis said that GDP, consumer spending and private and public fixed investment all had dropped during the first quarter.

The minister's address coincided with a significant strengthening of the rand, the national currency, which climbed to 40.55 U.S. cents Tuesday after plunging to 35.54 cents last Thursday.

Mr. du Plessis said that the state of emergency imposed last week already had begun to have a "stabilizing effect on the economic and financial terrain."

But he warned that the country still had to deal with its debt-repayment problems, the threat of economic sanctions and boycotts, a period of "low or even negative economic growth," and a general lack of economic confidence.

U.S. Says Deficit In Trade Stable In First Quarter

The Associated Press

WASHINGTON — The United States posted a $33.67-billion deficit in its current account in the first quarter, virtually unchanged from the record $33.70-billion deficit set in the final quarter of 1985, the Commerce Department reported Tuesday.

The current account measures not only trade in merchandise but also trade in services, including investment flows between the United States and other countries.

The United States ran a small $5.9-billion surplus in net service receipts in the first quarter, the Commerce Department said. This represented a $2-billion decline from the fourth-quarter surplus.

Separately, the department said that housing construction fell 7.4 percent in May, the biggest decline in a year.

U.S. Officials Present New 'Gold-Card' System to Ease Export Controls

By Stuart Auerbach
Washington Post Service

WASHINGTON — The U.S. Commerce and Defense Departments presented on Tuesday a new "Gold-Card" system to ease export controls on high-technology sales to companies in Western Europe and Japan that have clean records for keeping sensitive products from the Soviet bloc.

The new system, which is expected to go into effect in the fall, would eliminate the need for U.S. manufacturers to get export licenses for 80 percent of the products now on the control list as long as they are going to approved users in countries that are members of COCOM, the Paris-based multilateral agency that regulates high-technology trade.

Later, the system is to be extended to companies in other friendly nations that are not members of COCOM, the acronym for the Coordinating Committee for Multilateral Export Controls, which includes members of the North Atlantic Treaty Organization and Japan.

"What we really want to see happen is to make the export-control system work so that it stops diversions" to the Soviet bloc "without impeding trade," said Steven D. Bryen, deputy undersecretary of defense for trade security policy.

He announced the new program along with Paul Freedenberg, assistant secretary of commerce for trade administration. The joint press conference signaled a new spirit of cooperation between the two departments, which until recently fought bitter ideological and jurisdictional battles on the issue of export controls.

Mr. Freedenberg called the new system "another significant reason" for other nations to improve their export controls. That way, he added, their companies would be able to get on the gold-card list and be able to purchase American high-technology products without going through the delay of getting a license.

The new system should make U.S. companies more competitive with West German and Japanese concerns in winning sales because it eases the most cumbersome aspects of U.S. export controls.

The proposal is called a gold-card system because it works the same way that a credit-card purchase does. All a U.S. manufacturer has to do on a purchase request from a certified company is to check with Commerce to see if the potential buyer really has a "gold card." The U.S. company gets an approval number, similar to the one that a store gets when it checks with a credit-card company, and the product can be shipped abroad.

The new system covers all but the most sensitive high-technology products, stopping just below the level of high-speed computers.

■ EC Picks Objectives

European Community officials said Tuesday that the EC had succeeded in fixing its objectives for a proposed new round of negotiations to reduce trade barriers, Reuters reported from Luxembourg.

Those objectives include discussions on farm subsidies and the increasingly important trade in services, the officials said.

But in a clear warning to the United States, the ministers decided that they were not prepared to discuss the EC's controversial farm-export subsidies unless others put their own overt and hidden subsidy practices on the negotiating table.

The guidelines that EC foreign ministers agreed to for their negotiators will set the tone for liberalization talks under the General Agreement on Tariffs and Trade, or GATT. Community officials, however, have expressed concern that an escalating trans-Atlantic trade dispute over farm exports could undermine the talks.

The officials described Tuesday's agreement as a breakthrough because it finally removed the threat of an EC boycott of the new round, scheduled to begin Sept. 15 at a GATT ministerial conference in Punta del Este, Uruguay.

France had threatened to block EC participation unless the conditions for discussing farm trade in the new round were tightened to exclude any radical change in the EC's Common Agricultural Policy.

That was agreed to by EC ministers, who said that any action on farm trade should not undermine the objectives or structures of current agricultural policies or cause price falls that could damage all parties.

■ More Protectionism Seen

Protectionist pressure has shown no sign of decreasing and governments have made further efforts to divide markets in violation of global free-trade rules, GATT officials

See TRADE, Page 20

Full Turkish Membership in EC Probably Unlikely for Years

By Carol Reed
International Herald Tribune

ANKARA — The issue of when Turkey will apply for full membership in the European Community has been heating up since January. But objections from within the EC, particularly from Greece, may make full membership unlikely for many years to come.

Prime Minister Turgut Ozal has said several times this year that Turkey wants to become a full EC member. The two have been on chilly terms since the Turkish armed forces took over the government in 1980.

Already a member of the North Atlantic Treaty Organization, the Organization of Economic Cooperation and Development and an associate EC member, Turkey views full EC membership as putting the last and most important seal on its status as a European nation. While only a tiny part of Turkey — the part west of the Straits of Bosporus — is actually in Europe, the Turks have spent much of the last seven decades trying to win acceptance as a country of the West rather than the Near East.

"We want to be a member of this club," said a senior Foreign Ministry official. "We want to fulfill our aspirations to belong to the Western world."

The big question is when Turkey will apply for full membership. The EC club, 12 members strong since Spain and Portugal were admitted in January, argues that entry in the near future would be "premature" for the developing Turkish economy, as one ranking EC diplomat put it.

Mr. Ozal assured Prime Minister Margaret Thatcher of Britain during his February visit to London that Turkey is in "no great hurry" and will apply "at the most opportune moment." But observers say that could be anywhere from this year to a decade from now.

Some Ankara politicians believe that Mr. Ozal will have no choice but to apply by the 1988 elections because opposition parties have made the issue a top priority. EC insiders, on the other hand, doubt that Turkey can solve necessary economic problems for another decade.

Perhaps the major impediment, observers say, is the economy. Turkey has come back from the brink

'We want to be a member of this club,' said a senior Turkish official. 'We want to fulfill our aspirations to belong to the Western world.'

of insolvency in the late 1970s, changing abruptly from a highly protected, closed economy to an open one in which Mr. Ozal's government has emphasized exports, while increasing imports.

In the process, the current-account deficit has dwindled from nearly $2 billion in 1983 to a projected surplus this year, and international banks have resumed lending.

Even so, huge gaps remain between Turkey and the EC in industrial and agricultural competitiveness as well as per-capita income, said Peter C. Nieman, Dutch ambassador to Turkey. The Netherlands now holds the EC presidency. Turks earn an average of $1,000 a year while the EC average is $9,000 to $10,000.

"Turkey should improve these first, then apply," Mr. Nieman said.

EC members voice other concerns. Many worry that Turkey is not yet a full democracy, pointing chiefly to its record on human rights since the military coup in 1980. Torture became more than ever "a phenomenon in Turkey that is widespread," a government insider said. But since parliamentary elections in 1983, human-rights groups have found a substantial drop in arrests and torture of presumed terrorists.

Religion also is a problem. Almost 99 percent of the population is Moslem. "There should be no discrimination in terms of religion in the EC, but a lot of people think of our religion as the major block to full membership," a Foreign Ministry official complained.

Turkey's longstanding rival Greece is the most vigorous opponent of full membership. It links the issue with a whole array of problems between the two nations, ranging from mineral rights in the Aegean Sea to Cyprus, whose northern third Turkish troops have occupied since a Greek-backed coup in 1974.

Athens maintains that Ankara has open claims to Greek islands in the eastern Aegean and insists that Turkey is a threat to Greece.

"These are bilateral issues to an extent," conceded Ioannos Kranidiotis, executive secretary of the Greek Ministry of Foreign Affairs. "But they should concern the EC as well because Greece is a full member. These threats against Greece are indirect threats against the whole of the EC."

Before Turkey even considers applying for memberhip, it must improve relations with the EC under their 1963 association agreement, Mr. Nieman said. The EC ended official ties with Turkey in 1980 in response to the coup, but in February, foreign ministers from The Netherlands, Britain, Denmark, Luxembourg, France and Italy voted to call a special meeting with Turkey later this year.

From 1980 to September 1982, the EC froze all aid to Turkey. As part of the thawing in relations, about 47 million European currency units ($48 million) were released to Ankara in March, and another 29 million ECUs will be released by the end of the summer.

Normalization of relations means, too, that Turkish workers will be allowed to circulate freely within the EC by December, as stipulated in the association agreement. West Germany, which hosts 1.5 million of the 2 million Turkish "guest workers" in Europe, is known to want controls kept on immigration.

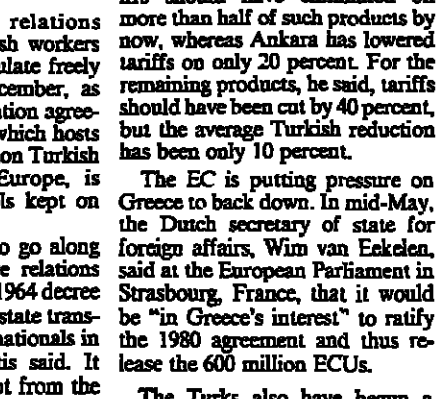
But Greece refuses to go along with efforts to improve relations until Turkey nullifies a 1964 decree that greatly limits real estate transaction rights of Greek nationals in Turkey, Mr. Kranidiotis said. It also wants to be exempt from the provision allowing free movements of Turkish workers.

As part of this refusal, Athens has refused to ratify all EC-Turkey agreements signed before Greece joined the community in 1981. One of these agreements would give Turkey an additional 600 million ECUs in direct grants and loans.

Some EC members say Turkey is not keeping its promises, either. Turkey has virtually stopped dismantling tariffs on incoming EC goods, which it agreed to do in a 1973 accord foreseeing the elimination by 1985 of tariffs on most goods traded between the two partners. According to Mr. Kranidiotis of the Greek Foreign Ministry, tariffs should have eliminated on more than half of such products by now, whereas Ankara has lowered tariffs on only 20 percent. For the remaining products, he said, tariffs should have been cut by 40 percent, but the average Turkish reduction has been only 10 percent.

The EC is putting pressure on Greece to back down. In mid-May, the Dutch secretary of state for foreign affairs, Wim van Eekelen, said at the European Parliament in Strasbourg, France, that it would be "in Greece's interest" to ratify the 1980 agreement and thus release the 600 million ECUs.

The Turks also have begun a campaign of confrontation to force Greece to change its stance, despite advice from Western allies to soften their tone. As part of this, Ankara has announced that it was considering taking Greece to the European Court of Justice in Luxembourg over its refusal to ratify the accord.


AP
Turgut Ozal

Asia Pacific Growth Fund

Weekly net asset value on

Listed on the Amsterdam Stock Exchange

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Pierson, Heldring & Pierson N.V.
Herengracht 214,
1016 BS Amsterdam.

The Carlyle Hotel

Madison Avenue at 76th Street
New York 10021
Cable The Carlyle New York
International Telex 620692
Telephone 212-744-1600

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GRAND METROPOLITAN PLC
(CDRs)

Referring to the advertisement of 12th March 1986 in this paper the undersigned announces that the original shares from 10% free distribution have been received. As from 11th, 1986 one new CDR Grand Metropolitan PLC cum cp.no. 33 s.c.a. and talon repr. 50 shares will be available at Kas-Associatie N.V., Spuistraat 172, Amsterdam against delivery of 10 div.cp.no. 31 of CDRs Grand Metropolitan PLC repr. 50 shs. After 15th August, 1986 the equivalent of the CDRs, which have not been claimed by the holders of div.cp.no. 31, will be sold. The proceeds, after deduction of expenses, will be held in cash at the disposal of said holders.

AMSTERDAM DEPOSITARY COMPANY N.V.

Amsterdam, 3rd June 1986.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
Navistr	15289	9	8⅝	8½	— ⅜
Safewy	13986	51½	47¾	50½	+2⅝
Upjohn s	13556	101	90	96⅜	—5¼
NosstUt	13025	21	20⅝	20⅞	+ ⅜
Compaq	12813	14¼	13¾	14¼	— ⅜
PhilaEl	12177	19⅝	19	19½	+ ⅜
AT&T	11526	25	24¾	25	
FordM s	11426	54½	53⅝	53⅝	— ⅜
ConsPw	10257	13¾	12⅝	12¾	—1⅛
IBM	9710	148¾	146½	146⅞	—1⅝
OrionP	9709	17⅝	16½	17⅜	+1½
NL Ind	9685	14⅛	13⅝	14⅛	+1
PanAm	9167	6⅛	5⅞	5⅞	— ⅛
DiamS	8880	11⅛	10⅞	10⅞	— ¼
Morison	8872	71¼	69¾	71¼	+1⅞

Market Sales

NYSE 4 p.m. volume	123,090,000
NYSE prev. cons. close	131,016,380
Amex 4 p.m. volume	14,970,000
Amex prev. cons. close	11,060,000
OTC 4 p.m. volume	119,093,400
NYSE volume up	39,584,460
NYSE volume down	72,278,150
Amex volume up	4,433,090
Amex volume down	5,814,445

NYSE Index

	High	Low	Close	Ch'ge
Composite	141.27	140.12	140.37	—0.80
Industrials	163.90	162.42	162.69	—1.05
Transp.	121.58	120.30	120.73	—0.73
Utilities	70.62	70.36	70.50	—0.11
Finance	151.79	150.33	150.41	—1.01

Tuesday's NYSE Closing

Via The Associated Press

AMEX Diary

	Close	Prev.
Advanced	253	257
Declined	334	330
Unchanged	254	240
Total Issues	841	827
New Highs	25	34
New Lows	10	8

NASDAQ Index

	Close	Ch'ge	Week Ago	Year Ago
Composite	396.28	— 2.26	392.83	287.92
Industrials	402.23	— 2.95	400.12	293.86
Finance	527.71	— 0.13	521.77	372.55
Insurance	441.07	— 3.66	432.73	338.32
Utilities	343.08	— 5.60	338.47	276.75
Banks	450.39	+ 0.69	[illegible]	283.76
Transp.	361.38	— 1.78	356.99	258.58

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Wickes	12275	[illegible]	[illegible]	[illegible]	[illegible]
Scond n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HrnHar	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
WangB	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
DomeP	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
FmdlO	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
McRon	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Oilird s	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
TrnBd of	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NVHme n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HrnH wt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
BAT	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
EchoB o	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
IntThr n	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
IntBknt	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	90.06	+ 0.02
Utilities	89.98	+ 0.08
Industrials	90.14	— 0.04

NYSE Diary

	Close	Prev.
Advanced	618	756
Declined	991	814
Unchanged	379	392
Total Issues	1988	1962
New Highs	77	102
New Lows	18	17

Odd-Lot Trading in N.Y.

	Buy	Sales	*Sh'rt
June 16	403,289	423,549	531
June 13	335,888	425,268	6,747
June 12	222,675	371,974	15,907
June 11	244,099	414,442	35,629
June 10	250,985	514,732	40,345

*Included in the sales figures

Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	1877.62	1886.98	1853.94	1865.78	— 5.99
Trans	787.88	794.00	775.25	785.13	— 1.50
Util	188.95	190.00	187.64	188.52	— 0.38
Comp	718.71	722.89	709.58	715.15	— 2.06

Standard & Poor's Index

	High	Low	Close	Ch'ge
Industrials	275.83	272.78	273.60	— 1.98
Transp.	204.90	201.71	202.99	— 1.68
Utilities	106.61	105.97	106.25	— 0.36
Finance	28.91	28.46	28.53	— 0.37
Composite	246.26	243.60	244.35	— 1.78

NASDAQ Diary

	Close	Prev.
Advanced	920	948
Declined	1,187	1,117
Unchanged	2,186	2,222
Total Issues	4,293	4,287

AMEX Stock Index

High	Low	Close	Ch'ge
[illegible]	[illegible]	[illegible]	[illegible]

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

NYSE Slips in Moderate Trading

United Press International

NEW YORK — Prices on the New York Stock Exchange retreated Tuesday in moderate trading as investors registered concern about a sputtering U.S. economy.

The Dow Jones industrial average fell 5.99 to 1,865.78.

Broad market indicators also gave up ground. Standard & Poor's 500-stock index lost 1.78 to 244.45. The New York Stock Exchange composite index fell 0.80 to 140.37. The price of an average share dropped 23 cents.

Among the 1,975 issues traded at 4 P.M. EDT, losers outpaced winners 992-604.

On the Big Board, 123 million shares changed hands, up from the 112 million shares traded Monday.

Stock prices got an early boost from the bond market but turned lower in late-morning trading. Bonds climbed after the government released another piece of weak economic data — U.S. housing starts fell 7.4 percent in May.

Bonds have advanced recently because investors believe the continuous stream of weak economic data will force the Federal Reserve Board to allow short-term interest rates to fall.

But while lower rates are good for stock prices, investors are focusing on the sluggish economy, analysts said. Data on gross national product, personal income and consumer prices also are due this week and are expected to provide more evidence that the economy is weak.

"Investors are asking why the economy is so disconcertingly sluggish despite the relatively strong dose it's had of interest-rate declines, a weaker dollar and low inflation," said Monte Gordon, research director at Dreyfus Corp.

To Our Readers

Some World Stock Markets tables are missing in this edition because of strikes at Agence France-Presse, which originates and transmits the tables. Some other statistical data are missing because of other transmission problems. We regret the inconvenience to readers.

"The economy should have responded but instead it's showing all the signs of a mid-life crisis," Mr. Gordon said.

He said that stock prices were preparing for another "retracement" to recent lows.

Harry Villec of Sutro & Co. of San Francisco said that stocks were in a near-term trading range from 1,800 to 1,900.

Mr. Villec said that a "sputtering" economy would require the Fed to encourage lower interest rates and that the rate declines would push the Dow up to 2,000 this summer.

Navistar was the most active NYSE-listed issue, falling ⅜ to 8½.

Safeway Stores followed, jumping 2⅝ to 50½. It rose 2¾ points Monday after reporting higher-than-expected quarterly earnings.

Upjohn was third, falling 5¼ to 96⅜. The company said the drop was caused by publicity surrounding a letter to Upjohn from the Food and Drug Administration criticizing the company for a recent "false and misleading" statement about its hair restoring drug minoxidil.

Weakness was pronounced in the technology sector. IBM dropped 1⅝ to 146⅞, Digital Equipment skidded 3⅛ to 82¾, Cray Research was down 1⅝ to 89⅝, NCR fell 1⅛ to 52⅜.

(Continued on next left-hand page)

ricot, Reporting Loss, veils Shift in Strategy

By Bob Hagerty
ternational Herald Tribune

NDON — Apricot Comput- announced on Tuesday a s and a change of strategy. ning its hope of becoming a nternational supplier of per- omputers.

Birmingham-based compa- ce Britain's great hope in al computers, recorded a £14.9 million ($22.5 million) year ended March 31, com- with a net profit of £5.4 mil- year earlier.

ning the plunge in computer Apricot said it would con- e on the higher-performance the market and give up on ng a large volume of sales of ced personal computers for ss users. To succeed in the e market, said Roger Foster, t's chief executive, "You 00 times our muscle — and ou could fail."

company, formed by Mr. 21 years ago, was an obscure uter-services supplier until ly 1980s, when it moved into al computers.

Apricot model, launched in proved so successful in Brit- at the company changed its to Apricot from Applied uter Techniques.

ee years ago, Mr. Foster confidently in an interview of Apricot's chances of "dominating" the European market.

In an interview Tuesday, Mr. Foster conceded: "We got overconfident at one point. Now I think we're back to being lean and mean."

Analysts say several problems ruined Apricot's dream:

● Low-priced machines from South Korea and Taiwan have kept prices falling. Mr. Foster said that prices have dropped about 50 percent in the past six months and that the future "just looks awful."

● Until this week's launch of the XEN-i computer, Apricot failed to introduce a machine compatible with the industry standard set by International Business Machines Corp. That made it difficult for Apricot to sell computers to corporations, which generally insist on being able to use software written for IBM-compatible computers.

"Apricot should have woken up to that a lot earlier," said Keith Woolcock, an analyst at Chase Manhattan Securities Ltd.

● Partly because of its nonstandard format, Apricot failed to build up significant sales in foreign markets, although it retains an estimated 10 to 20 percent share of the British market. Apricot thus lacks the economies of scale achieved by big foreign competitors.

Apricot's loss for the fiscal year came on sales of £90.6 million, down 2 percent, and reflected £12.7 million of provisions for the cost of restructuring. Most of those costs involve writing down the values of inventories of older models.

The company has slashed its staff to 650 from 1,250 last autumn. In the future, Mr. Foster said, Apricot would focus on higher-priced computers, falling into a range of about £4,000 to £40,000 each. Like many companies, Apricot is aiming to sell more computer systems catering to the needs of specific industries.

Apricot shares dropped 18 pence Tuesday to close at 62 pence, and some analysts said they doubted the company could evade further damage from price cutting.

nes Television Offer dduled for Next Week

United Press International

NDON — Thames Televi- a London commercial televi- station, will go public next with a £91.2-million ($137- n) stock offering, County *said Tuesday. About 17 mil-* hares, representing about 36 nt of the company's shares, offered at 190 pence a share. joint owners of the television , Thorn EMI PLC and Brit- ectric Traction PLC, are re- their holding from 95 per- roughly 57 percent.

Shipyard Plans Bankruptcy After Losing French Subsidy

Reuters

PARIS — One of France's two main shipbuilders, Chantier du Nord et de la Mediterranée, or NORMED, is filing under bankruptcy laws following the new conservative government's decision to slash subsidies to private companies, sources there said Tuesday.

The sources said that NORMED, which runs yards at Dunkirk la Seyne and La Ciotat and employs about 7,000 workers, would run out of money within weeks, and would not be able to meet payments to workers or suppliers.

The company's management will meet Tuesday with the comité d'entreprise, a nonunion committee that represents workers' interests, as the first stage of bankruptcy proceedings.

Neither NORMED nor the government would say by how much the subsidies are being cut. But the sources said the government was halting exceptional aid payments given to NORMED on top of subsidies awarded on an order-by-order basis.

For years the government has propped up France's ailing shipbuilding industry, which has been battered by worldwide recession and growing competition from the Far East. Subsidies since 1983 total about 12.5 billion francs ($1.8 billion at exchange current rates).

But officials say there are too many yards in France to meet current demand and cutbacks have been made across Europe.

The government has promised that workers will be paid this month, and company sources said ships under construction would be completed.

France's other main shipbuilder, Alsthom-Atlantique, will not be affected. It receives subsidies on an order-by-order basis and has a healthy order book, a company spokesman said.

Sabena Reports Sharp Rise in Profit

Compiled by Our Staff From Dispatches

BRUSSELS — Sabena, Belgium's national airline, on Tuesday reported its best financial results for 28 years, increasing speculation that the once-ailing carrier might be partially privatized.

Sabena said it earned 345.5 million Belgian francs ($7.7 million) in 1985, more than a 12-fold increase from 26.4 million francs the year before. It was Sabena's third successive year of net profits after a string of losses dating back to 1957.

Sabena said it would use its profit to help finance a fleet-renewal plan.

Sabena said its 1985 operating profit was 1.845 billion francs, down slightly from 1.849 billion francs in 1984. It said 1985 operating results were harmed by a slowdown in traffic growth, caused mainly by passenger fear of terrorist attacks in the past year.

Sabena's operating revenue rose 12 percent to 45.72 billion francs in 1985 from 1984 but operating expenses were up 13 percent to 43.88 billion francs.

Belgium's transport minister, Herman de Croo, said earlier this year that he wanted to see either Sabena or one of its major subsidiaries privatized by selling shares on the Brussels Stock Exchange, probably during 1987.

The purpose of the offering would be to halve the Belgian government's stake in the airline to about 27 percent.

But Sabena's chairman, Carlos van Rafelghem, who has said that the airline needs to improve its health considerably before being listed on the bourse, told a press conference Tuesday that Mr. de Croo was expressing "the view of our major shareholder" rather than ordering the board to take action.

(Reuters, AP)

Propellers Are Making a Comeback in the Jet Age

By Greg Johnson
Los Angeles Times Service

SAN DIEGO — U.S. airlines took a seemingly backward step toward propeller-driven airliners this month at a Rohr Industries facility here. There, the National Aeronautics and Space Administration tested a futuristic, high-technology propeller that is scheduled to help power a business jet in a test flight over Georgia next year.

Propeller-driven aircraft were chased from the skies during the 1960s by larger and more comfortable jets that flew faster and higher. But proponents say that the next generation of propeller-driven airliners will duplicate jet airliners' comfort and speed — well over 500 miles, or 808 kilometers an hour — yet cut fuel consumption by as much as 50 percent.

If in-flight tests planned during the next year are successful, propeller-driven commercial airliners made in the United States could return to the skies by as early as 1992.

Manufacturers are moving toward that goal. This fall, Boeing Co. and General Electric Co. plan to flight test a propfan by replacing one of a Boeing 727's three jet engines with an advanced-technology, turbine-powered propeller.

And early next year, McDonnell Douglas Corp. will use a specially equipped MD-80 airplane to test both the ungeared GE propfan and a geared propfan being developed by the Allison Gas Turbine division of General Motors Corp. and Pratt & Whitney, the United Technologies Corp. unit.

The propellers of tomorrow do not look like those of yesterday. Underscoring the differences of the new propulsion system, McDonnell Douglas prefers to refer to propfan engines as having "propulsors" instead of propellers.

The "ultra-high bypass engine" that Boeing and GE will test features two sets of swept-back, eight-bladed propellers. The two sets of blades rotate in opposite directions, to operate more efficiently than normally shaped blades used on smaller commuter and business planes, a Boeing spokesman said.

Although safety dictates that test aircraft retain at least one Federal Aviation Agency-certified jet engine, proponents are confident that in-flight testing will prove that propeller-driven aircraft will once again play a major role in commercial aviation.

Airframe, engine and blade manufacturers already have spent hundreds of millions of dollars to commercialize the new propeller technology.

But industry analysis predict that propellers would not start spinning commercially in 1992 unless fuel prices rise.

Although small, commuter-type aircraft are powered by turbines that drive propellers, past propeller designs have not been able to move larger planes through the air fast enough to compete with jets.

The advanced research needed to do that was stalled because aerospace industry technology "just wasn't advanced enough," according to G. Keith Sievers, chief of NASA's Advanced Turboprop Project Office at Lewis Research Center in Cleveland.

Propeller research benefited from advances in aerodynamics, acoustics and structural design, but Mr. Sievers gives modern, high-speed computers most of the credit for making breakthroughs possible.

It already has taken a tremendous amount of money to design and build the new generation of propeller-driven aircraft.

Even with likely future budget cuts, NASA alone will have spent more than $200 million on propeller research, and industry sources suggest that airframe and engine manufacturers will spend from $3 billion to $10 billion to develop a high-technology, propeller-driven plane.

But airline industry executives, their interest piqued by talk of 50-percent fuel cuts, are showing obvious interest. "These guys would kill their grandmothers for a 3-percent fuel reduction, so you can imagine what they'll do for a 50-percent cut," quipped a spokesman for one airframe manufacturer.

The potential savings have attracted airlines that own McDonnell Douglas MD-80s and those that plan to buy the newer MD-88, which will be introduced next year. McDonnell Douglas engineers have been studying designs of both planes and believe that it will be possible to retrofit both with propfan engines.

While neither Boeing nor McDonnell Douglas has offered advanced propfan models for sale, both are studying airplane configurations that would replace existing jet-driven models.

McDonnell Douglas has focused on a companion for its MD-80s and MD-88s, and Boeing is considering a twin-engine plane that would augment its popular 727 trijet.

In addition to development costs, though, there is concern that the technology might not be fully proven. Although NASA's advanced turboprop research program, which faces budget cuts beyond those instituted last year, has produced a "very success-oriented program," Mr. Sievers said, "we're not quite there yet."

But, in addition to unresolved concerns about noise and safety factors and some unproven technology, Mr. Nisbet pointed to "just plain market acceptance. Are people going to want to go back to prop-driven planes? That's more of a psychological than a technical question."

Voest-Alpine Pulls Out Of Microchip Project

Reuters

VIENNA — Voest-Alpine AG, Austria's largest company, has pulled out of a joint venture with OKI, the Japanese electronics company, to build a microchip factory in Austria, a Voest spokesman said Tuesday.

"We decided some months ago that the project did not fit in with our overall concept and have decided to concentrate on software," said the spokesman for government-owned Voest.

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COMPANY NOTES

cena Corp., the U.S. arm of the Dutch group Brenninkmeyer, said it ose or sell the 12 Ohrbach's apparel stores it has owned for 24 years. na announced at the same time that it had completed its acquisition of 28 Howland-Steinbach apparel and home furnishings stores for nd short-term notes from the Supermarkets General Corp. Terms not disclosed.

hlehem Steel Corp. of Bethlehem, Pennsylvania, said the United orkers of America has ratified a contract with the steelmaker. A ny spokesman did not indicate by what margin the new contract pproved.

ish Aerospace PLC said its British Aerospace Finance Inc. subsidill on Monday begin offering as much as $100 million in commercial paper in the United States. Goldman Sachs & Co. will act as dealer and Citibank as issuing and paying agent.

Citicorp said it has bought 55 percent of the stock in Quotron Systems and expects to acquire most or all of the rest by the end of the week. However, a Citicorp spokesman said it had not yet decided when it would exercise control over Quotron, a Los Angeles-based provider of electronic financial information. Quotron had called the $680-million tender offer inadequate, but said it would not fight it.

MacMillan Inc., the New York-based publisher, said it had sold its P.F. Collier branch operation in South African, ending the concern's activities in that country. A company spokeswoman would not disclose the terms of the sale or the buyer.

Manufacturers Hanover Trust Co. said it has reached agreement to sell its Manufacturers Hanover Bank-Belgium to Chase Banque de Commerce, a subsidiary of Chase Manhattan Corp., for an undisclosed amount. Manufacturers also said it would discontinue the wholesale banking activities of its Belgian subsidiary and shift its Benelux corporate business to other European branches.

Meyer International PLC, a London-based diversified timber concern, said pretax profit rose 5.8 percent to £32.08 million ($48.12) in its fiscal year after difficult winter conditions had adversely affected Britain's construction industry for the second consecutive year.

Revlon Inc. has signed a Securities and Exchange Commission consent order after the agency charged that the cosmetic company misled investors during its takeover battle with Pantry Pride by not promptly disclosing its talks with two investment companies. Pantry Pride later paid $1.74 billion for Revlon, which neither admitted nor denied the SEC charges by signing the order.

***Yugo America Inc.**, which imports cars from Yugoslavia, said it has* postponed indefinitely its first public offering of common stock. Yugo America's president, William Prior, said the sale was put off until the company establishes its viability.

BUSINESS PEOPLE

McDonnell Unit Creates 2 New Marketing Posts

By Brenda Erdmann
International Herald Tribune

LONDON — The Douglas Aircraft Co. division of McDonnell Douglas Corp. has created two new marketing posts.

Ves Zommers has joined Douglas Aircraft as director of commercial marketing for Europe. Most recently he was director of marketing for central, northern and eastern Europe at Boeing Co. In his new post, Mr. Zommers will be based in Douglas Aircraft's Long Beach, California, headquarters and will supervise overall European commercial-marketing efforts north of Italy in addition to Turkey and Israel.

The second newly created marketing post is that of director of international marketing for South Asia, which is being filled by Lewis V. DiLeo. Mr. DiLeo, who will also be based in the company's Long Beach headquarters, is being succeeded as director of marketing for advanced products by William C. Messecar.

Glenn Hickerson, vice president for commercial marketing, international, said the new posts will "give McDonnell Douglas additional strength in international marketing as we continue to expand our line of commercial aircraft."

Morgan Grenfell & Co., the London-based merchant bank, has appointed to its board Hsieh Fu Hua, who is managing director of Morgan Grenfell (Asia) Ltd. in Singapore, and Peter Wing, who is in the treasury division in London.

Sumitomo Trust & Banking (Luxembourg) SA said its managing director and general manager, Masatsuki Esaki, has returned to the Tokyo office, where he has become joint general manager of the capital-markets department. Mr. Esaki has been succeeded in his previous position by Kazuo Yamamoto, formerly a manager in the international business-promotion department in Tokyo.

CSFB-Effectenbank, the Frankfurt-based unit of Crédit Suisse, said Karl Miesel is to take over as its chief executive in August. He left Deutsche Bank last year after 28 years' service. He moves to Frankfurt from Credit Suisse First Boston in London.

AB Astra, the Swedish pharmaceuticals group, has elected Claes Dahlbaeck to its board. He is president of AB Investor.

Hunter Douglas NV has named C.P. Bas vice president of its Australian and New Zealand operations and as managing director of Hunter Douglas Australia Holdings Ltd., its Australian operating affiliate. Mr. Bas moves to Sydney from Hunter Douglas's headquarters in Rotterdam, where he was vice president and controller. Hunter Douglas is a maker of building products.

Bankers' Group Elects Stock

International Herald Tribune

LONDON — Nicola Stock, an executive vice president of Banco di Roma, has been elected chairman of the Institute of Foreign Bankers Inc., succeeding Johann H. Brinckmann of Amsterdam-Rotterdam Bank.

Founded in 1966, the New York-based institute acts as spokesman for its constituent banks on public policy and other issues affecting the U.S.-based international banking community.

Mr. Stock has been Banco di Roma's executive vice president and area manager for North America since 1983. Before that he worked for the bank in West Germany, the Netherlands and France.

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Belgium	B.Fr.	10,700	5,800	3,200
Denmark	D.Kr.	2,300	1,250	690
Finland	F.M.	1,630	880	490
France	F.F.	1,400	760	420
Germany*	D.M.	560	300	170
Great Britain	£	120	65	36
Greece	Dr.	20,000	11,000	6,000
Netherlands	Fl.	634	340	190
Ireland	£Ir.	140	77	42
Italy	Lire	350,000	190,000	106,000
Luxembourg	LFr.	10,700	5,800	3,200
Norway*	N.Kr.	1,650	900	500
Portugal	Esc.	19,000	10,400	5,700
Spain*	Ptas.	26,500	14,600	8,000
Sweden*	S.Kr.	1,700	920	520
Switzerland	S.Fr.	490	270	148
Rest of Europe, North Africa, former French Africa, Middle East	$	400	200	120
Rest of Africa, Gulf States, Asia	$	550	300	165

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Tuesday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls. 100s	High	Low	Close Last	Chge
30½	26½	ParkH s		6.9	14	261	29½	27¾	27¾	— ¼
4¾	3¼	PatPtr s				75	3¾	3¾	3¾	
19⅝	13⅜	PayNP	.44	3.5	22	287	19⅛	18¾	18¾	— ⅛
27½	13½	PayCsh	.16	.5	22	1032	29⅞	28¾	28¾	— ⅛
		Penco				4				
58½	46	PenCen			24	345	55⅛	53⅜	54¼	— ⅛
21¾	15¾	Penney	2.48	3.0	15	1207	83	81¾	81¾	— ⅜
34	22½	PaPL	2.56	7.8	11	502	32¾	32¼	32¾	+ ⅛
48	35⅝	PaPL pf	4.48	9.8		102	45⅝	45⅝	45⅝	— 1
30¼	25	PaPL dpr	2.90	10.1		2	28¾	28¾	28¾	+ ¼
89⅜	63½	PaPL pr	8.00	9.8		1482	81	80	81	+3
94½	70	PaPL pr	8.70	10.2		10	85½	85½	85½	+ ½
56¼	35½	Penwlt	2.20	3.9		617	56½	56¼	56¼	+ ¼
83½	54	Penw pf	2.50	3.0		1	83	83	83	+ ½
35⅜	22⅝	Penw pf	1.60	4.9		17	32⅝	32⅝	32⅝	+ ⅛
91	41¾	Pennzoil	2.20	4.4	26	511	50¾	49¾	49¾	— ⅛
23¾	14⅜	PeopEn	1.32	6.4	9	109	21	20¾	20¾	— ⅛
35	20½	PepBoys	.20	.6	26	831	34⅜	33⅞	33⅞	— ⅛
25⅝	18⅝	PepsiCo	.44	1.9	17	6195	36⅜	35⅞	35⅞	— ⅛
36⅜	22	PerkEl	.60	2.2	16	2256	28⅞	27¾	27¾	— ⅞
8½	5⅜	Permian	.36e	4.6	6	839	6¼	6¼	6¼	— ⅛
29⅜	13¾	PervDs	.20	1.2	19	154	19⅝	19⅝	19⅝	+ ⅛
35¾	17⅞	Petrie s	.70	2.2	17	1181	32	31½	31¾	+ ⅛
28½	22¾	PetRS	3.51e	13.0		41	27¾	27¾	27¾	
17⅞	15⅜	PetRS pf	1.57	9.8		30	17¾	17½	17¾	
4	2⅜	Petrlnv	.38e	24.4		115	2½	2½	2½	
68¾	43¾	Pfizer	1.64	2.4	19	4521	68¾	67¾	67¾	— ⅞
32½	16¾	PhelpD			43	954	26⅝	26	26	— ⅛
63	45	Phelps pr	5.00	8.5		16	56⅝	56⅝	56⅝	
30¾	16	PhilaEl	2.28	11.5		8 12176	19⅝	19	19½	+ ⅛
42¾	30¾	PhilEl pf	4.30	10.5		140z	41	41	41	
33½	22½	PhilEl pf	4.40	13.5		1	32½	32½	32½	+ ½
84	63	PhilEl pf	8.75	10.8		50z	80¾	80¾	80¾	+ ¼
13¾	9¾	PhilEl pf	1.41	11.2		72	12⅝	12⅝	12⅝	— ⅛
12⅜	9½	PhilEl pf	1.33	11.1		205	12⅜	11¾	12	+1¼
77	71	PhilEl pf	7.85	10.4		7700z	75	75	75	
12⅜	9½	PhilEl pf	1.28	10.8		117	11⅞	11⅞	11⅞	
130	117½	PhilEl pf	17.12	13.4		690z	127½	127½	127½	
117½	105½	PhilEl pf	15.25	12.9		230z	119	117½	118	+1½
90½	72	PhilEl pf	9.00	11.1		280z	82¼	80¼	82¼	+ ¼
76	56¾	PhilEl pf	7.80	11.0		1100z	73	71	71½	+1½
74	55½	PhilEl pf	7.75	10.8		540z	72	71	71½	+1½
22¾	18½	PhilSub	1.32	6.4	12	53	21	20¾	20¾	— ¼
82	53	PhilAir s	2.36	4.9	10	8103	48¾	47¾	48¾	+ ⅝
38	19¾	PhilIn	.60	1.7	16	133	35½	34	34½	— ⅛
13⅜	9¼	PhilPet	.40	6.3	6	4807	9⅝	9⅜	9⅜	
25½	19¼	PhilPt pf	2.15e	10.1		45	21¼	21¼	21¼	+ ¼
39½	24⅛	PhilVH	.60	1.5	14	148	39¼	39	39¼	+ ⅛
44¾	28⅜	PiedAv	.32	.8	11	567	39¾	37½	37½	— ⅝
52¼	50	PiedA pf				70	50½	50	50½	
39¼	15⅜	PieNG s	1.20	6.6	18	971	18⅝	18¼	18¼	— ⅛
20¾	15¾	Pier 1	.27	1.6	17	2467	22	21⅝	21⅝	+ ⅛
11½	9	PilgrPa n	.07e	.7		225	10¼	10	10¼	+ ⅛
81¼	48	Pillsbry	1.72	2.2	17	1274	78¾	77⅞	78½	— ½
26½	18⅜	Pioneer	1.24	5.4		1577	23¼	23	23¼	— ⅛
23⅜	17	PitnyB	1.32	5.6	16	1172	23⅝	23½	23⅝	
136	74½	PitnB pf	2.12	1.5		122	120½	120½	120½	— 3½
15⅞	10⅜	Pittsn			139	473	12¼	12¼	12¼	— ⅛
26½	15	Plains n	.97	.3	52	581	23⅝	22⅞	23⅜	+ ⅛
24	12¾	Playtex	.60	3.0	24	1	20	20	20	— ⅛
19¼	8¼	Plantm	.16	.9	14	133	19	18¾	18¾	— ⅛
10¾	6¾	Playboy				42	6⅝	6⅝	6⅝	
37¾	19¼	Plessy	.72e	2.2	14	13	33¼	33¼	33¼	+ ¼
19¾	3¼	PogoPd	.20	1.2		159	6	6	6	
72⅜	29½	Polarid	1.00	1.6	30	1943	65⅜	64⅝	64⅝	—1¼
24	10½	Pondrs	.40	1.7	18	449	23½	23	23	
24¾	16¾	PopTel	.88b	3.9	32	93	21⅜	20½	20½	— ⅜
22¾	14⅜	Portec	.60	3.0	24	12	20⅛	19⅞	20⅛	
40¾	15⅝	PortlGE	2.12	6.4	10	161	33¼	32⅞	33¼	+ ⅛
29¼	22½	PorG pf	2.60	9.4		8	27¾	27¾	27¾	
35⅜	25⅜	PorG pf	4.40	12.6		39	34⅝	34½	34⅝	+ ⅛
35½	32	PorG pf	4.52	12.8		17	34¾	33⅝	33⅝	— ⅛
49⅞	37¼	PotlEl	3.72	8.8	20	61	49¾	49¾	49¾	
57¾	54	PottlPt	3.75	6.6		19	57	56½	57	
45¼	27½	PotmEl	2.36	5.2	12	2686	45¾	45¼	45½	+ ⅛
32¾	28½	PotEl pf	4.04	8.6		150z	48	47¾	47¾	— ⅛
35¾	19⅞	PrimeC			22		24¾	23¾	24¾	+ ⅛
28	18⅜	Primk s	1.10	4.0	11	162	27⅞	27¾	27½	— ⅜
28	14½	PrimeC			16	1887	19	18½	18½	— ⅛
45¾	23⅝	Primk s	.08	.2	33	415	43½	43⅛	43⅜	— ⅛
25¾	17⅜	ProcTr s	1.12	5.1	18	1	22	21⅞	21⅞	— ⅛
17¼	12	PrdRs s	.28	1.8	22	313	16¾	16	16¼	
43½	33½	Proler	1.40	3.9		324	36¼	36	36¼	
2¾	1½	PruRC n				19	1½	1½	1½	
8¾	7¾	PruR n				53	7¾	7¾	7¾	+ ⅛
24⅜	17¾	PSvCol	2.00	10.8	12	2293	18⅝	18¼	18½	— ⅜
90½	63	PSCal pf	7.15	9.5		60z	75	75	75	—2¼
26	19⅜	PSCal pf	2.10	9.7		47	21⅝	21⅝	21⅝	— ⅛
19¾	6¾	PSInd			7	1490	11⅝	11⅜	11⅜	— ⅛
11¼	6¾	PSIn pfB				150z	8¾	8¾	8¾	
11	6¾	PSIn pfC				710z	10¾	10¾	10¾	+ ⅛
90	54	PSIn pfE				150z	86¼	86	86¼	+ ⅛
73¾	58	PSIn pfF				40z	73½	73½	73½	+ ⅛
82	55	PSIn pfH				30z	78½	78½	78½	+1½
11¾	4¾	PSNH			3	314	6¾	6¾	6¾	
25¼	10	PSNH pf				150z	20½	20½	20½	
25½	13¾	PNH pfB				11	22	21¾	21¾	— ¼
23⅜	16⅜	PNH pfC				45	21½	21¾	21¾	— ¼
21¼	12	PNH pfE				30	20½	20½	20½	
15¼	13	PNH pfF				7	23	23	23	
28¾	13½	PNH pfG				7	24½	24½	24½	
37½	27¾	PSvNM	2.92	9.0	10	378	32½	32½	32½	
38¾	26¾	PSvEG	2.96	8.3	9	4605	36	35¾	35¾	— ⅛
51	35	PSEG pf	4.08	9.5		750z	43¾	43	43	— ⅛
52	36¼	PSEG pf	4.18	9.3		11460z	46	45	45	— ⅛
28	16¾	PSEG pf	2.10	10.2		200z	20¾	20¾	20¾	+1¾
25⅝	19	PSEG pf	2.17	9.2		2	23¾	23¾	23¾	
84½	58½	PSEG pf	6.80	9.2		490z	74	74	74	— 1
26¾	21¼	PSEG pf	2.43	9.4		13	25¾	25¾	25¾	— ⅛
95¾	66	PSEG pf	9.00	9.0		50z	85½	85½	85½	
95¾	66	PSEG pf	9.00	9.0		140z	85½	85½	85½	
94½	65½	PSEG pf	7.52	9.3		120980z	86	81¼	81¼	—6¾
3⅜	2¼	Publick				110	3¼	3¼	3¼	+ ⅛
26⅜	11½	Pueblo	.16	.8	11	132	20½	20½	20½	
14⅛	6	PR Cem			15	119	11½	11½	11½	+ ⅛
22¾	13	PugetP	1.76	8.3	11	1145	21¼	21	21¼	+ ⅛
10⅝	6¾	PulPn	.66e	.6	31	718x	10⅝	10⅝	10⅝	— ⅛
24	10¾	PulteHm	.12	.6	25	1203	21	20¾	20¾	— ⅛
27	16½	Purolat n	.64i	3.2		205	20¼	19¾	20	+ ⅛
8¾	4⅞	Pyro			9	300	7⅛	7	7⅛	+ ⅛

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19	5¼	RBInd	.04i	.4		92	9⅝	9½	9⅝	+ ⅛
20	8¾	RJ Fin	.14	.9	12	29	15½	15¼	15⅜	— ⅛
25¾	24¼	RJR Nb	1.48	2.1	13	6180	49	48	48¾	— ⅛
125⅜	108	RJR pf	11.50	9.5		1	121¾	121¾	121¾	
125⅜	108	RJR pf	12.50	9.4		75	133½	133½	133½	+ ⅛
11⅞	6¼	RLC	.10	.9	27	140	10¼	10¼	10¼	+ ⅛
4½	2⅜	RPC				48	3	3	3	— ⅛
28	16¾	RTE	.40	2.5	12	242	24	23¼	24	— ⅛
18¼	11	Radice			10	116	13¾	13½	13¾	+ ⅛
71	39¾	RalsPur	1.10	1.6	15	1853	70	69¼	69½	— ⅛
11	6¾	Ramad			25	658	8¾	8¾	8¾	
24¼	16½	Ranco	.84	3.7	11	32	23	22½	23	+ ⅛
4¾	2¾	RangrO				779	4¼	4	4	— ⅛
148	59	Raycm	.44	.5	23	728	98¾	96	97¾	— ⅛
13⅞	9¾	Raymk				30	11	10¾	10¾	— ⅛
27¼	19⅝	Raynr n	2.60	12.0		119	22¾	21¾	21¾	— ⅛
67¾	46⅞	Raythn	1.60	2.6	13	2047	62⅜	61¾	61¾	— ⅝
8¾	4¾	Readgs	.04			343	5¾	5¾	5¾	
24¾	16¾	RdBal pf	2.12	29.3		24	16¾	16¾	16¾	— ⅛
22	6¾	RdBal pf	2.08e	34.7		12	6¼	6	6	— ⅛
16½	8⅜	RecnEq			30	883	12¾	12¾	12¾	— ⅛
12⅝	7	Redmn	.32	3.6	18	258	9	8¾	8¾	+ ⅛
15½	8⅞	Recton			62	22	12¾	12¾	12¾	— ⅛
1	½	Regal				21	⅝	⅝	⅝	
9⅞	9½	ReglFn n				177	9¾	9½	9½	
42	29¾	ReichC	.80	2.1		47	37¾	37¾	37½	+ ⅛
16½	7¾	ReisAir				17	7⅝	7⅝	7⅝	+ ⅛
14¼	7¾	RepGyp	.36	2.8	14	83	13	12¾	12¾	
49½	29¼	RpNY s	1.12	2.4	11	68	46¼	46¼	46¼	+ ⅛
35	27½	RepBk	1.64	5.7	7	31128	29⅜	28¾	28⅞	+ ⅛
29⅝	24¾	RepBk pf	2.52	9.4		2	27¾	27	27¾	
32⅜	20½	RepCst	1.40	5.2	14	279	27⅝	27⅛	27⅜	+ ⅛
39⅞	23⅜	Revco	.80	2.2	38	3983	36¼	36⅛	36¼	
21⅝	18½	Revere			11	67	21¼	21¼	21¼	
19⅝	6¾	Revlon				493	17⅞	17¾	17¾	+ ⅛
30¾	21⅜	Rexhm	.70	2.5	13	20	28¼	28¼	28¼	
20	13¾	Rexnrd	.44	2.8	10	262	16¼	15¾	15¾	— ⅛
22¾	20½	ReyMtl	1.00	2.0		1490	50¾	49½	50¾	— ⅛
111	68¼	ReyM pf	4.50	4.1		33	110¼	109¼	109¼	—1¾
36½	24	ReyM pf	2.50	6.7		4527	37¼	36¾	37¾	
35¼	21½	RiteAid	.58	1.6	22	299	33¾	33	33	— ⅛
4⅜	1⅜	RivrOak				2	2	1⅞	1⅞	— ⅛
51	30⅞	Robshw	1.20	2.6	11	18	46¾	46¼	46¼	+ ⅛
31⅜	16½	Robtsn	1.28i			18	16¾	16¾	16¾	— ⅛
19¼	5½	vRobins			5	205	12¼	11⅞	12	
28	19¼	RochG	2.20	8.5	7	321	26⅛	26	26	— ⅛
47	34	RochTel	2.56	6.4	12	5	40¼	40¼	40¼	+ ⅛
20¾	17½	RckCtr n	1.76	8.9		1276	19⅞	19½	19½	— ⅛
48⅝	31¾	Rockwl	1.20	2.5	12	1398	47⅞	47¾	47½	— ⅛
170	120	RkInt pf	1.35	.8		2	170	170	170	
13	7	RodRn				134	11⅜	11¼	11¼	— ⅛
34¾	20½	Rohm s				2542	32½	31¾	32¾	+1⅛
36¾	26⅜	Rohr s			12	613	32¾	31⅝	32¾	+ ⅛
39½	27½	RoinCm	.42	1.1	43	129	39	38¾	39	+ ⅛
39¾	29¾	RollnE s	1.00	3.1	13	1	32¼	32¼	32¼	— ⅛
16½	10¼	RollRn	.48	2.9	21	162	16¾	16⅝	16⅝	
39½	11	Roper	.44	1.5	28	162	36¾	35	35	—1½
47	32½	Rorer	1.12	2.8	6	2162	40¾	40	40	— ⅛
23⅜	13⅜	RothIn n			19	1081	20¼	19¾	20¼	+ ⅛
9⅜	5	Rowan	.08	1.4	84	567	6⅛	5⅞	5⅞	— ⅛
80¼	55½	RoyID	3.36e	4.3	8	2710	78¼	77⅜	78	— ⅞
17¾	9¼	RoyInt			11	122	9¾	9¾	9¾	
57	24½	RubMd s	.48	.9	22	1253	51½	50½	51⅛	—1⅛
30⅜	15¼	RussBr			16	11	28¼	28⅛	28⅛	
30½	18¼	RusTog	.76	2.6	13	29	29¾	29¼	29¾	
28⅝	15¾	Russell	.52	.9	22	152	57¾	57¼	57¾	— ⅛
45¾	31½	RykmH	1.20	3.5	27	3579	34¾	34	34¾	— ⅛
30⅝	17¼	Ryder s	.44	1.5	17	1693	30¼	29½	29⅝	— ⅛
55¼	21	Ryland	.66	1.4	17	303	48¾	46	46¾	—1¾
23	14¾	Rymer			151	18	19¾	19¾	19¾	— ⅛
14⅜	10⅞	Rymer pf	1.17	9.2		333	12¾	12¾	12¾	— ⅛

S

13	10⅝	SL Ind s	.16	1.4	14	14	11⅜	11½	11⅜	+ ⅛
37	28⅛	SPSTec	.88	2.4	15	37	37⅜	37	37⅜	+ ⅛
19	11½	Sabine	.84	.3	73	462	15¾	14½	14½	— ⅛
18⅜	11½	SabnR	1.87e	14.0		48	13¾	13⅜	13½	— ⅛
22⅜	13¾	SfeBs	.30	1.8	26	263	17	16½	16⅝	— ⅛
15	8¾	SfeSc			20	86	14⅜	14⅜	14⅜	— ⅛
5¼	1⅜	SfgS wt				5	3	3	3	
38¼	21¼	SaffKl s	.32	.9	32	151	35¾	35¼	35½	
49	29⅜	Safewy	1.76	3.4	13	13983	51½	47⅝	50⅜	+2½
39½	22¾	Sagel	.32	1.3	27	85	24½	24¾	24¾	
38¾	19	StJoLP	1.82	6.3	10	17	29	28½	29	+ ⅛
14⅞	4⅛	vISalant				173	15¾	14⅜	15⅛	+ ⅛
50¾	29⅜	SalMeM	.24	.5	19	1128	49⅞	48½	48½	+ ⅛
38⅝	34⅞	Salmn	.64	1.3	12	1220	50	48⅞	49¾	+1¼
34⅞	24⅜	SchlCs	2.38	6.9	10	1203	34¾	34¾	34½	+ ⅛
9¾	7	SJuanB	.59e	8.0		676	7½	7¾	7¾	— ⅛
12⅝	10	SJuanR				3	11	11	11	
43⅝	28½	Sandr	.60	2.0	28	974	30	29¾	29¾	— ⅜
32¾	26⅜	SAnnRt	2.84	7.0	16	47	29½	29½	29½	— ⅛
26⅜	19⅜	SFeEP n				202	25⅜	25⅜	25⅜	— ⅛
39⅜	29¼	SFeSoP	1.00	2.9	14	5094	34⅝	34	34½	+1⅛
64⅞	38¾	Sara Lee	1.60	2.4	17	1683	66¼	65⅛	66¼	+ ⅛
41⅜	31½	SaWel	1.48	4.2	15	3	34⅝	34⅜	34⅜	— ⅛
19⅞	15¼	SoulRE	.20	1.1	46	2	18	18	18	
34½	18¾	SwEIP	1.76	5.3	11	132	33½	32⅝	33½	
36⅜	28¼	SwEA	1.24	3.7		36	33½	33½	33½	— ⅛
23⅝	17	SwEnrgy	1.28	9.9		16	12⅞	12⅞	12⅞	
6⅝	3	Sevin				443	3¼	3	3⅛	— ⅛
12⅝	4	Sevinpf				10	5¼	5¼	5¼	
24½	23⅜	SCANA	2.24	6.6	12	1774	24¼	23⅞	24	— ⅛
78¼	64	SchrPlo	1.80	2.3	20	1745	77⅝	76¾	77⅜	— ⅛
39⅝	29	Schlmb	1.20	3.8	47	3975	31¾	31⅜	31⅝	+ ⅛
14⅞	9¾	SciAtl	.12	1.1	18	944	10⅝	10½	10½	
63¼	38⅛	ScottP	1.24	2.1	12	537	59⅝	58	58⅝	— ⅛
18⅛	12⅜	ScottVs	.52	3.0	17	188	18	17½	17½	— ⅛
43	24	SeaCnt	.42	1.7	10	477	25⅜	24¾	24¾	— ⅛
13⅜	11⅛	SeaCt pf	1.46	11.8		42	12⅜	12¼	12⅜	+ ⅛
16⅞	15¼	SeaCpfB	2.10	12.8		35	16⅝	15⅝	16⅝	+ ⅛
17	15	SeaCpfC	2.10	12.9		22	16¼	16	16¼	+ ⅛
50¾	40¾	SeaCpfD	4.12	8.2		200	50¾	50¼	50¾	
30½	18⅜	SeaLnd	.48	1.8		43	27½	27¼	27⅜	+ ⅛
5¼	1¾	SeaCo				164	3½	3¼	3½	+ ⅛
64	37⅜	Seagrm	1.00	1.7	14	1107	60⅝	59¾	60	— ⅜
19⅜	12⅜	Seagul				44	14⅜	14⅛	14¼	
47¾	25	SeaLdr	.48	1.2	20	142	42	40⅞	41⅛	—1
31⅛	23½	SealPw	1.00	3.4	13	88	29⅝	29	29	— ⅛
59⅜	37¼	Sears	1.76	3.7	14	4562	47¾	47	47¼	— ⅛
107¾	102¼	Sear pf	7.46	7.3		102	102⅜	102½	102⅜	— ⅛
40⅛	24⅞	SecPac	1.48	4.1	8	1447	37⅜	36¼	36½	— ⅛
35	29¾	SedCo s	.32	.9	23	1	34¾	34¾	34¾	
13½	9⅜	SvcRes				278	13⅜	12¼	13	+ ⅜
23½	12⅝	Shaklee	.72	3.5	16	732	21⅞	20⅝	20⅝	—1⅛
23⅜	9¾	Shawin s				213	21⅜	21⅛	21⅛	— ⅛
48⅝	34⅜	ShellT	2.90e	6.0	9	429	48¼	47	48¼	— ⅛
22¼	16⅜	Sherwin s	.50	1.7	18	901	29⅝	29¼	29¼	+ ⅛
12	6¾	Shoetwn			13	461	10	9½	9⅝	— ⅛
22¾	12	Showbt	.40	2.9	19	9	20¾	20¾	20¾	
23⅞	17	SierPac	1.68	7.1	13	694	23¾	23½	23½	
53⅜	33⅜	Singer	.40	.8	16	1195	51¾	51¼	51¾	
40⅜	31½	Singr pf	3.50	9.2		16	39⅞	38	38⅛	— ⅞
21	12⅜	Skyline	.48	3.2	16	591	15¾	14¾	15	+ ⅛
32	22⅜	Slattery				6	24	24	24	— ⅛
9⅝	1¾	vISmith	.08i			1848	2¾	2¾	2¾	+ ⅛
100	63½	SmkB	3.00	3.1	15	1881	98¾	97¾	98¾	+ ⅜
51¾	38⅜	SmkIn s	.60	1.4	19	42	44⅝	43¾	43¾	— ⅛
59¾	33⅜	SnapOn	1.16	2.8	19	146	59½	58½	58½	—1⅛
15¾	9¾	Snydor	1.50	13.6		79	11	10¾	11	

American Express Settles SEC Case

The Associated Press

NEW YORK — American Express Co. said Tuesday that it has settled a Securities and Exchange Commission staff complaint charging the company with accounting violations that improperly boosted its net income in 1981 and 1982.

American Express agreed to settle the administrative proceeding without admitting or denying any wrongdoing and without having to restate its earnings for those years.

The SEC staff had contended that American Express's accounting for the participation by Fireman's Fund Insurance Co., formerly a wholly owned subsidiary, in two reinsurance transactions was not in accordance with generally accepted accounting principles.

The complaint, made in administrative proceedings, contended that the practice increased the company's pretax income by about $54 million in 1981 and about $40 million in 1982.

Under the settlement, American Express and Fireman's Fund did not have to restate or modify past financial statements, but agreed to comply with federal reporting provisions in the future.

Company Results

Revenue and profits or losses, in millions, are in local currencies unless otherwise indicated.

United States

McCormick

2nd Quar.	1986	1985
Revenue	222.5	209.2
Net Inc.	3.9	3.5
Per Share	0.32	0.28
1st Half	1986	1985
Revenue	446.7	406.1
Net Inc.	8.1	7.1
Per Share	0.67	0.58

Stop & Shop

1st Quar.	1986	1985
Revenue	1,140.	972.1
Net Inc.	3.9	6.9
Per Share	0.28	0.50

West Point Pepperell

3rd Quar.	1986	1985
Revenue	498.8	387.9
Net Inc.	10.8	11.3
Per Share	0.74	1.08
9 months	1986	1985
Revenue	1,300.	888.6
Net Inc.	35.7	19.3
Per Share	2.87	1.87

Worthington Ind.

4th Quar.	1986	1985
Revenue	218.1	196.3
Net Inc.	14.43	12.63
Per Share	0.52	0.46
Year	1986	1985
Revenue	754.3	700.7
Net Inc.	41.99	38.65

هكذا من الأصل

Tuesday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

Gulf Air Reports Profit Of $34.5 Million in '85

Agence France-Presse

ABU DHABI — Gulf Air, the national airline of four Gulf nations, had net profit of 13 million Bahrini dinars ($34.5 million) last year, the chairman, Ali Khalfan al Dhahiri, told the official Emirates news agency WAM.

Mr. al-Dhahiri, who also is head of the civil aviation department in Abu Dhabi, said Monday that about $16 million of the profit will be distributed among the owners — the United Arab Emirates, Qatar, Oman and Bahrain — at the rate of 15 percent of each country's paid-up contribution in the capital. Another $2.3 million will be awarded to the company's employees as work incentives.

He said that the board considered the profits "a great achievement" considering the economic recession in the region following the 60-percent fall in oil prices. Mr. al-Dhahiri also said that Gulf Air planned to open new routes to Japan, Australia and the United States as part of its 1986 expansion plan.

AMEX Highs-Lows

NEW HIGHS 25

AL Lab s	Alza Corp	Amedco	AmFruct B
BSN	BrownFor A	ChodelHld	CompuDyne
CrownCrf	Friedman	FurVault s	GraphTch
Harvey Gr	LaJolla n	MarkIV s	MooreMed
NewprtEl	PennTrf	Ruddick Cp	SoundrSy B
Servo Corp	ValleyRsc	Valspar s	Vernitron
WharhseEn s			

NEW LOWS 10

ADI El n	AmRoyalty	Cohu Inc	DamsEngy B
Damson Oil	Damson 250p	Damson 3pf	Inflight Svc
IntThorbd n	LincNC n		

WEEKEND
IN THE IHT EVERY SATURDAY, A MULTI-PAGE CULTURAL SECTION COVERING MUSIC, LITERATURE, DANCE, THEATER, THE ARTS

Floating-Rate Notes

June 17

Dollars — Deutsche Marks — E.C.U. — Pounds Sterling — Japanese Yen

Source : Credit Suisse-First Boston Ltd., London

CREDIT NATIONAL

Bonds 1978 - 1988 floating rates notes of U.S. $1,000.—

Early redemption

The holders of bonds 1978 - 1988 of U.S. $1,000.— at a floating rate notes are advised that all the outstanding securities will be redeemable at 100.50% in advance as of 21 July 1986 at the officers of the following establishment:

— FRENCH AMERICAN BANKING CORPORATION — NEW YORK
— BANQUE NATIONALE DE PARIS (LUXEMBOURG) S.A. — LUXEMBOURG
— BANQUE INTERNATIONALE à LUXEMBOURG — LUXEMBOURG
— BANQUE NATIONALE DE PARIS — PARIS
— MORGAN GUARANTY TRUST COMPANY of NEW YORK — BRUXELLES
— SOCIETE DE BANQUES SUISSE — BALE
— SOCIETE GENERALE — PARIS
— UNION DES BANQUES SUISSES — ZURICH

ADVERTISEMENT

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 17 June 1986

Net asset value quotations are supplied by the Funds listed with the exception of some quotes based on issue price.
The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (r) - regularly; (i) - irregularly.

AL MAL MANAGEMENT
-(w) Al-Mal Trust, S.A. $ 224.48
BANK JULIUS BAER & CO. Ltd.
-(d) Baerbond SF 927.90
-(d) Conbar SF 1482.00
-(d) Equibaer America $ 1349.00
-(d) Equibaer Europe SF 1622.00
-(d) Equibaer Pacific SF 1360.00
-(d) Grobar SF 1219.00
-(d) Stockbar SF 1897.00
BAII MULTICURRENCY
-(r) Multicurrency US$ $ 1079.08
-(r) Multicurrency Ecu ECU 1053.48
-(r) Multicurrency Yen YEN 196.839.00
BNP INTERFUNDS
-(w) Interbond Fund $ 153.07*
-(w) Intercurrency US$ $ 10.56
-(w) Intercurrency DM DM 30.77
-(w) Intercurrency Sterling £ 10.54
-(w) Interequity Pacific Offer $ 15.63
-(w) Interequity N. Amer. Offer $ 11.66
BANQUE INDOSUEZ
-(d) Asian Growth Fund $ 15.88
-(w) Diverbond SF 86.65
-(w) FIF-America $ 20.91
-(w) FIF-Europe $ 22.18
-(d) FIF-International $ 14.52
-(w) FIF-Pacific $ 28.17
-(d) Indosuez Multibonds A $ 124.97
-(d) Indosuez Multibonds B $ 218.30
-(d) Indosuez USD (M.M.F) $ 1078.03
BRITANNIA, POB 271, St. Helier, Jersey
-(w) Brit.Dollar Income $ 0.902*
-(w) Brit.$ Manag.Curr. $ 11.86*
-(d) Brit. Intl.$ Manag.Portf. $ 1.495*
-(d) Brit. Intl.£ Manag.Portf. £ 146.2*
-(w) Brit. Am. Inc. & Fd Ltd. $ 1.297
-(w) Brit.Gold Fund $ 0.645
-(w) Brit.Manag.Currency £ 15.89
-(d) Brit. Japan Dir Perf. Fd. $ 2.198
-(w) Brit.Jersey Gilt Fund £ 0.232*
-(d) Brit. Okasan Glob.$ $ 11.26
-(d) Brit. World Leis. Fund $ 1.617
-(d) Brit. World Techn. Fund $ 1.011
BROADGATE INTERNATIONAL FUND
-(d) $ Money Market $ 10.42
-(d) Non-$ Money Market DM 26.03
-(w) $ Bond $ 10.72
-(w) Non-$ Bond DM 28.11
-(w) Global Equity $ 12.00
-(w) Global Bond $ 9.83
-(w) Global Bond & Equity $ 9.88
CAPITAL INTERNATIONAL
-(w) Capital Int'l Fund $ 59.44
-(w) Capital Italia S.A. $ 29.76
CITICORP INVESTMENT BANK (Lux.)
POB 1373 Luxembourg Tel. 477.95.71
(d) Citinvest Ecu ECU 1088.21
(d) Citinvest Liquidity $ 1052.35
CREDIT SUISSE (ISSUE PRICES)
-(d) Actions Suisses SF 495.00
-(d)s15u) Bond Valor Swf SF 112.85
-(d) Bond Valor D-mark DM 112.24
-(d) Bond Valor US-DOLLAR $ 124.97
-(d) Bond Valor £ Sterling £ 108.25
-(d) Bond Valor Yen Yen 10.892.00
-(d) Convert Valor Swf SF 140.25
-(d) Convert Valor US-DOLLAR $ 150.00
-(d) Canasec SF 647.00
-(d) CS Fonds-Bonds SF 79.25
-(d) CS Fonds-Int'l SF 130.50
-(d) CS Gold Valor $ 96.96
-(d) CS Money Market Fund $ 1146.80
-(d) CS Money Market Fund DM 1086.25
-(d) CS Money Market Fund £ 1110.32
-(d) CS Money Market Fd Yen Y103184.00
-(d) Energie-Valor SF 146.75
-(d)s15ud) Ussec SF 842.00
-(d) Europa-Valor SF 197.25
-(d) Pacific-Valor SF 196.25
DREXEL BURNHAM LAMBERT INC
Winchester House, 77 London Wall
LONDON EC2 (01 9209797)
-(w) Finsbury Group Ltd. $ 148.08
-(m) Winchester Diversified $ 25.21*
-(m) Winchester Financial Ltd. $ 10.84
-(m) Winchester Frontier $ 154.63
-(w) Winchester Holdings FF 113.54
$ 12.88
-(m) Winchester Recovery Ltd. $ 111.09
-(w) Worldwide Securities $ 65.99
-(w) Worldwide Special $ 2399.31
DIT INVESTMENT FFM
-+(d) Concentra DM 38.80
-+(d) Int'l Rentenfond DM 84.61
EBC TRUST CO.(JERSEY) LTD.
1-3 Sele St., St. Helier:0534-36331
TRADED CURRENCY FUND.
@(d) Inc.: Bid $ 12.18 Offer $12.566*
@(d) Ca.: Bid $ 14.45 Offer $ 14.893
INTERNATIONAL INCOME FUND
-(d) Short Term 'A' (Accum) $ 1.5373
-(d) Short Term 'A' Distr) $ 1.0069
-(d) Short Term 'B' (Accum) $ 1.4389
-(d) Short Term 'B' (Distr) $ 1.0489
-(w) Long Term $ 27.88
F&C MGMT. LTD. INV. ADVISERS
1, Laurence Pountry Hill, EC4. 01-623-4680
-(w) F&C Atlantic $ 17.39
-(w) F&C European $ 24.14
-(w) F&C Oriental $ 44.27
FIDELITY POB 670, Hamilton Bermuda
-(m) Fid. Amer. Val.II Com. $ 66.42
-(m) Fid. Amer. Val.II Cum.Pref. $ 101.75
-(m) Fid. Amer. Val.III Com. $ 21.36
-(m) Fid. Amer. Val.III Cum Pref. $ 101.30
-(d) Fidelity Amer. Assets $ 100.99
-(d) Fidelity Australia Fund $ 13.00
-(d) Fidelity Discovery Fund $ 13.43
-(d) Fidelity Dir. Svgs.Tr. $ 133.28
-(d) Fidelity Far East Fund $ 38.80
-(d) Fidelity Int'l. Fund s/s $ 10.99
-(d) Fidelity Orient Fund $ 53.92
-(d) Fidelity Frontier Fund $ 18.70
-(d) Fidelity Pacific Fund $ 209.70
-(d) Fidelity Spcl. Growth Fd. $ 22.29
-(d) Fidelity World Fund $ 53.89
FORBES PO 887 GRAND CAYMAN
London Agent 01-839-3013
-(w) Dollar Income $ 7.96
-(w) Forbes High Inc. Gilt Fd. £ 95.60*
-(w) Gold Income $ 8.08
-(w) Gold Appreciation $ 4.57
-(m) Strategic Trading $ 1.60
GEFINOR FUNDS.
-(w) East Investment Fund $ 628.51
-(w) Scottish World Fund £ 164.58
-(w) State St. American $ 205.74
London: 01-4914230, Geneva: 41-22355530
GLOBAL ASSET MANAGEMENT CORP.
PB 119, St Peter Port, Guernsey, 0481-28715
-(w) FuturGAM S.A. $ 122.66
-(w) GAM Arbitrage Inc. $ 179.53
-(w) GAMerica Inc. $ 210.88
-(w) GAM Australia Inc. $ 112.42
-(w) GAM Boston Inc. $ 149.22
-(w) GAMBIT Fund Inc. $ 81.00
-(w) GAM Ermitage $ 21.26
-(w) GAM Ermitage Int. Inc. $ 10.67
-(w) GAM Franc-val SF 150.24
-(w) GAM France Inc Fr 961.13
-(w) GAM Global Fund $ 100.18
-(w) GAM Hong Kong Inc. $ 103.47
-(w) GAM International Inc. $ 191.67
-(w) GAM Japan Inc. $ 204.44
-(w) GAM North America Inc. $ 148.33
-(w) GAM N.Am. Unit Trust Inc. 125.55* p
-(w) GAM N.Am. Unit Trust Accum. 130.45 p
-(w) GAM Pacific Inc. $ 216.26
-(w) GAM Pens. & Char. Worldw. 143.30 p
-(w) GAM Pens. & Char. U.K. Fd. 130.50 p
-(w) GAMrint $ 139.75
-(w) GAM Singapore/Malay Inc. $ 87.40
-(w) GAM Stert & Intl Unit Trust 204.85
-(w) GAM Worldwide Inc. $ 258.70
-(w) GAM Tyche S.A. Class A $ 153.34
-(w) GAMtrends Inc. $ 113.39
-(w) GSAM Composite Inc. $ 123.80
-(w) GSAM Int. Inc. U.S Ord. $ 119.39
-(w) GSAM Interest Inc. U.S Spe. $ 115.70
-(w) GSAM Interest Inc. SF 105.20
-(w) GSAM Interest Inc. Yen 10.655
-(w) GSAM Interest Inc. DM 105.03
-(w) GSAM Interest Inc. £ 118.54
-(w) GSAM Interest Inc. Fr 965.00
G.T. MANAGEMENT (UK) Ltd.
-(d) Berry Pac. Fd.Ltd. $ 18.08
-(r) G.T. Applied Science $ 16.41
-(r) G.T. Asean H.K. Gwth.Fd. $ 12.72
-(d) G.T. Asia Fund $ 6.20
-(d) G.T. Australia Fund $ 28.14
-(d) G.T. Europe Fund $ 20.44
-(w) G.T. Euro. Small Cos. Fund $ 20.85
-(r) G.T. Dollar Fund $ 19.95
-(d) G.T. Bond Fund $ 15.24
-(d) G.T. Global Technology Fd. $ 17.51
-(d) G.T. Honshu Pathfinder $ 52.81
-(d) G.T. Investment Fund $ 29.86
-(w) G.T. Japan Sml Co.Fd. $ 73.64
-(r) G.T. Technology Fund $ 28.66
-(d) G.T. South China Fund $ 15.45
HILL SAMUEL INVEST. MGMT. INTL. S.A.
Jersey, P.O. Box 63, Tel 0534 76029
Berne, P.O. Box 2622, Tel 4131 224051
-(d) Crossbow (Far East) SF 12.49
-(d) CSF (Balanced) SF 28.94
-(d) European Equity Fund DM 14.54
-(d) Intnl. Bond Fund $ 11.42
-(d) Int. Currency U.S. $ 27.91
-(d) ITF Fd (Technology) $ 17.53
-(d) O'Seas Fd (N. AMERICA) $ 37.00
JARDINE FLEMING, POB 70 GPO Hg Kg
-(r) J.F Currency&Bond $ 16.92
-(r) J.F Hong Kong Trust $ 39.77
-(r) J.F Pacific Income Trust Y 46.23
-(r) J.F Japan Trust Y 6788
-(r) J.F Japan Technology Y 23.851
-(r) J.F Pacific Sec.$.(Acc) $ 13.34
LLOYDS BANK PLC, POB 438, Geneva 11
-+(w) Lloyds Int'l Dollar $ 118.00
-+(w) Lloyds Int'l Europe SF 148.80
-+(w) Lloyds Int'l Growth SF 198.90
-+(w) Lloyds Int'l Income SF 307.50
-+(w) Lloyds Int'l N. America $ 132.35
-+(w) Lloyds Int'l Pacific SF 168.90
-+(w) Lloyds Int'l. Smaller Cos. $ 17.33
NIMARBEN
-(d) Class A $ 112.79
-(w) Class B - U.S. $ 161.07
-(w) Class C - Japan $ 148.87
OBLIFLEX LIMITED
-(w) Multicurrency $ 15.48
-(w) Dollar Medium Term $ 12.39
-(w) Dollar Long Term $ 13.33
-(w) Japanese Yen $ 17.73
-(w) Pound Sterling £ 11.99
-(w) Deutsche Mark DM 11.47
-(w) Dutch Florin FL 11.29
-(w) Swiss Franc SF 10.45
-(w) Swiss Multicurrency SF 10.48
-(w) European Currency ECU 11.29
-(w) French Franc SF 9.51
ORANGE NASSAU GROUP
PB 85578, The Hague (070) 469670
-(d) Bever Beleggingen++ $ 32.50
PARISBAS-GROUP
-(d) Cortexa International $ 113.08
-(d) ECUPAR ECU 1119.71
-(w) OBLI-DM DM 1230.70
-(w) OBLIGESTION SF 94.15
-(w) OBLI-DOLLAR $ 1229.62
-(w) OBLI-YEN Y 105.316*
-(w) OBLI-GULDEN FL 1110.85
-(d) PAROIL-FUND $ 93.14
-(d) PAREUROPE GROWTH $ 15.60
-(d) PARINTER FUND $ 168.82
-(d) PARINTER BOND FUND $ 11.95
-(d) PAR US Treas. Bond 'Cl. B' $ 129.40
PUTNAM
-(d) Emerging Hlth Sc. Trust $ 14.21
(w) Putnam Em. Info. Sc. Tr. $ 10.87
(d) Putnam Int'l Fund $ 104.30
ROYAL B. CANADA, POB 246, GUERNSEY
-+(w) RBC Canadian Fund Ltd. $ 14.07
-+(w) RBC Far East&Pacific Fd. $ 19.02
-+(w) RBC Int'l Capital Fd. $ 37.07
-+(w) RBC Int'l Income Fd. $ 12.23*
-+(d) RBC Mon.Currency Fd. $ 29.94
+(w) RBC North Amer. Fd. $ 13.86
SKANDIFOND INTL FUND (46-8-236270)
-(w) Inc.: Bid $ 8.70 Offer $ 9.30*
-(w) Acc.: Bid $ 8.83 Offer $ 9.45
SKANDIFOND CAPITAL LTD (46-8-236270)
-(w) Accu. Bond Fd. Bid $5.90 Offer $6.15
SKANDIFOND LIMITED (46-8-236270)
-(w) Income Bond Fd. Bid $5.90 Offer $6.15
SVENSKA INTERNATIONAL LTD.
17 Devonshire Sq., London-01-377-8040
-(r) SHB Bond Fund $ 29.27
-(w) SHB Intl Growth Fund $ 39.26
SWISS BANK CORP. (ISSUE PRICES)
-(d) America-Valor SF 497.50*
-(d) Dollar Bond Selection $ 140.53
-(d) D-Mark Bond Selection DM 120.62
-(d) Florin Bond Selection FL 125.65
-(d) Intervalor SF 89.25*
-(d) Japan Portfolio SF 1352.75
-(d) Sterling Bond Selection £ 111.02
-(d) Swiss Foreign Bond Sel. SF 118.28
-(d) Swissvalor New Series SF 418.50
-(d) Universal Bond Select. SF 80.00
-(d) Universal Fund SF 128.05
-(d) Yen Bond Selection Y 10922.00
THORNTON MANAGEMENT LTD
(d) The Establishment Trust $ 1.48
(d) Thornton Australia Fd Ltd. $ 12.35
(d) Thornton HK & China $ 10.47
(d) Thornton Japan Fund Ltd. $ 17.84
(d) Thornton Orient.Inc. Fd Ltd. $ 13.53
(d) Thornton Phil. Redev. Fd. $ 10.57
(d) Thornton Tiger Fund Ltd. $ 10.25
(d) Thornton Pacific Tech. Fd Ltd. $ 10.00
UNION BANK OF SWITZERLAND
-(d) Bond-Invest SF 65.00
-(d) DM-Invest bonds DM 231.40
-(d) ESPAC Spanish sh. SFr 127.50
-(d) Fonsa Swiss Sh. SF 195.50
-(d) Francit French Sh. SFr 181.50
-(d) Germac German Sh. SFr 210.50
-(d) ITAC Italian sh. SFr 279.00
-(d) SFr.-Invest bonds SFr 215.50
-(d) Sima (stock price) SFr 214.00
-(d) Yen-invest bonds SFr 996.00
UNION INVESTMENT Frankfurt
-(d) Unirenta DM 42.30
-(d) Unifonds DM 33.70
-(d) Unirak DM 88.00
-(d) UNIZINS DM 113.70

Other Funds
(w) Actibonds Investments Fund. $ 31.16
(w) Acticroissance $ 103.13
( ) Actifinance Intl. $ 1003.57
(w) Activest Intl. $ 13.72
(w) Aquila International Fund $ 248.41
(r) Arab Finance I.F. $ 1018.77
(r) Ariane $ 2379.12
(d) Asia Pac. Growth Fd N.V. $ 23.46
( ) Australia Fund $ 9.73
(b) Bløa Saudi Bond Fund $ 156.14
(w) Bondselex-Issue Pr. SF 133.00
(m) Canada Gtd-Mortgage Fd. $ 10.19
(d) Capital Preserv. Fd. Intl. $ 12.11
(w) Chodel Fun $ 1.82
(w) Citifrust US $ Equities $ 198.04
(m) Cleveland Offshore Fd. $ 2974.85
(w) Columbia Securities FL 110.84
(r) COMETE $ 1009.42
(w) Convert. Fd. Int'l A Certs $ 15.41
(w) Convert. Fd. Int'l B Certs $ 46.07
(w) Cumber Intl N.V. $ 198.47
(w) Daiwa Japan Fund Y 12.394
(w) D.G.C. $ 130.48
-(d) Dollar-Baer bond Fd $ 1142.00
-(d) D-mark-Baer Bond Fd DM 1067.00
(d) D. Witter Wld Wide Ivt Tst $ 14.99
(r) Drakkar Invest.Fund N.V. $ 1532.94
(d) Dreyfus America Fund $ 13.05
(d) Dreyfus Fund Int'l $ 47.49
(w) Dreyfus Intercontinent $ 49.24
(d) Europe Obligations Ecu 68.45
(d) Esprit Sicav $ECU 973.28
(w) First Eagle Fund $ 21,052.92
(r) Fifty Stars Ltd. $ 1156.18
(w) Fixed Income Trns $ 95.82
(w) Fonselex Issue Pr. SF 210.90
(w) Forexfund $ 8.14
(w) Formula Selection Fd. SF 65.01
(d) Fondltalia $ 63.15
(d) Frankf-Trust Interzins DM 44.26
(w) George V INV. BOND F. $ 14.23
(d) Governm. Sec. Funds $ 95.89
(w) Haussmann Hldgs. N.V. $ 196.43
(w) Hestia Funds $ 131.80
(w) Horizon Fund $ 1638.19
(m) IBEX Holdings Ltd. SF 147.05
(r) ILA-IGB (30/04) $ 9.64
(r) ILA-IGS (30/04) $ 10.58
(m) IncAmerica N.V. $ 10.91
(d) Interfund SA $ 31.05
(w) Intermarket Fund $ 323.43
(r) Int'l Securities Fund $ 24.57
(d) Investa DWS DM 68.62
(r) Invest Atlantiques $ 14.72
(r) Italfortune Int'l Fund SA $ 34.21
(w) Japan Selection Fund $ 183.99
(w) Japan Pacific Fund $ 191.02
(m) Jeffer Ptns. Intl. Ltd. $ 11,341.06
(d) Kleinwort Benson Int'l Fd. $ 27.67
(w) Kleinwort Bens. Jap. Fd. $ 150.20
(w) Korea Growth Trust KW 13,885.58
$ 15.59
(d) Leicom Fund $ 2020.59
(w) Leverage Cap Hold. $ 245.41
(d) Liquibaer $ 1424.00
(w) Luxfund $ 108.61
(d) Mediolanum Sel. Fd. $ 13.66
(r) Meteore Y 125.719.00
(w) NAAT $ 12.96
(d) Nikko Growth Package Fd. $ 12,124.22
(w) Nippon Fund $ 54.88*
(w) NM Income & Growth Fund $ 11.42
(m) NOSTEC Portfolio $ 7898.08
(w) Novalec Investment Fund $ 122.01
(w) NSP F.I.T. $ 210.57
(d) OPPORTUNITES FUND $ 1065.59
(d) Pacific Horizon Invt. Fd. $ 1765.03
(w) PANCURRI Inc. $ 34.71
(m) Permal Spec. Opp. $
(r) Permal Value N.V. $ 1484.01
(r) Pleiades $ 1266.01
(r) Pri-Tech $ 1058.08
(w) Quantum Fund N.V. $ 9567.70
(d) Rento Fund LF 2836.00
(d) Rentinvest LF 1156.31
(d) Reserve Insured Deposits $ 1161.72
(w) Rudolf Wolff Fut Fd Ltd. $ 214.00
(w) Samurai Portfolio SF 171.80
(d) SCI/Tech. SA Luxembourg $ 15.29
(w) Seven Arrows Fund N.V. $ 927.50
(w) Strategy Investment Fund $ 26.61
(w) Target Fund $ 936.00
(w) Techno Growth Fund SF 88.14
(w) Tokyo Pac. Hold. (Sea) $ 136.65
(w) Tokyo Pac. Hold. N.V. $ 187.27
(w) Transpacific Fund $ 155.38
(w) Trans Europe Fund Fl 58.47
(d) Turquoise Fund $ 177.06
(m) Tweedy, Browne n.v. ClassA $ 2562.95
(m) Tweedy, Browne n.v. ClassB $ 1699.15
(m) Tweedy, Browne (U.K.) n.v. $ 1105.30
(d) UNICO Fund DM 78.60
(d) UNI Bond Fund $ 1235.50
(d) UNI Capital Fund $ 1228.34
(d) Univers Bonds Dm 118.59
(d) US Federal Securities $ 10.83
(w) Vanderbilt Assets $ 14.12
(w) Willerbond Capital $ 11.66
(d) World Fund S.A. $ 17.86

DM - Deutsche Mark; BF - Belgium Francs; FL - Dutch Florin; LF - Luxembourg Francs; ECU - European Currency Unit; SF - Swiss Francs; a - asked; + - Offer Prices; b - bid change P/V $10 to $1 per unit; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; *** - Gross Performance Index December; ● - Redempt- Price- Ex-Coupon; ** - Formerly Worldwide Fund Ltd; @ - Offer Price incl. 3% prelim. charge; ++ - daily stock price as on Amsterdam Stock Exchange

THE EUROMARKETS

Dollar-Straight Sector Closes Slightly Higher

By Christopher Pizzey

Reuters

LONDON — The dollar-straight sector closed slightly higher after a fairly quiet day's trading Tuesday. Sentiment was mildly boosted during the afternoon by news that U.S. housing starts had dropped a larger-than-expected 7.4 percent in May, dealers said.

A trader said volume was affected by a holiday in West Germany. He said that professionals also seemed reluctant to commit themselves ahead of Wednesday's second revision of U.S. first quarter gross national product figures.

Activity in the primary market was also relatively subdued, with the day's only dollar straight being a $100-million bond issue for DKB Asia. The five-year issue was guaranteed by Dai Ichi Kangyo Bank Ltd., pays 8¼ percent and was priced at 101½.

The issue was lead-managed by Dai-Ichi Kangyo International, which quoted it at a discount of about 2, compared with the total fees of 1⅞ percent.

The floating-rate-note sector saw the launch of two "step-down" issues. They are called "step-down" because they pay a coupon that gradually declines during their life. The most popular was a $100-million floater for Hill Samuel Group PLC.

It was priced at 100.05 and has a 15-year maturity. It pays 3½ basis points over the six-month London interbank offered rate in the first six years, 1½ basis points over Libor in years seven to 12, and then Libor flat.

Dealers generally believed that these terms were tight. The issue ended bid on the total fees of 10 basis points at 99.95. The lead manager was Sanwa International.

In the dollar-convertible market, American General Corp. launched a $250-million, 15-year bond issue with an indicated coupon of 6 to 6½ percent. The lead manager was Credit Suisse First Boston Ltd., and the bond traded well within the total fees of 2½ percent.

Royal Trustco launched a 100-million-Canadian-dollar bond issue paying 9¾ percent over five years and priced at 101. The lead manager was Union Bank of Switzerland (Securities) Ltd., which quoted it at a discount of 2, against the 1⅞-percent fees.

The Britannia Building Society issued a £25-million floater that will be fully interchangeable with its £75-million issue launched last October. It matures in 1993 and pays ⅛ point over three-month Libor.

Hambros Bank Ltd. and Fulton Prebon have wholly placed the issue, which was priced at 100.05 and pays a 3-basis-point selling concession.

In the sterling "bulldog" sector, the European Investment Bank issued the first offer launched with a fixed price. It pays 9 percent over 15 years and was priced at 94.45 to yield 9.716 percent.

Of the £100-million total, £90 million is being underwritten, with the rest available to meet demand from the market. Bulldog issues are usually launched at an indicated margin over a benchmark British government bond — usually the Treasury 13¾-percent issue due 2004/08. However, as the new dual-capacity trading plan is introduced on the London Stock Exchange, more issues are expected to be launched carrying fixed prices.

Group Pledges Loans to India

Agence France-Presse

PARIS — India secured pledges Tuesday of $4.5 billion in financial assistance over the next 12 months through a 13-nation consortium of donor countries and institutions sponsored by the World Bank.

Finance Secretary S. Venkitaramanan said after the consortium's two-day annual meeting here that the figure represents an 8-percent net gain from last year's $3.9 billion, taking into account the dollar's depreciation.

Mr. Venkitaramanan said that members of the consortium had "fully supported" India's need for concessional aid and had been "very supportive of India's balanced approach," recognizing the country's "ability to address its problems."

PESO: *Texas Money Changers Reap Profits From Mexico Financial Crisis*

(Continued from first finance page)

houses are usually not as attractive as those offered by banks with exchange operations. But many people avoid bank-owned exchange houses in Mexico because trades there are more easily monitored by the government, traders and bankers said. And while many American banks near the border provide a peso-exchange service, the process can take hours or days.

Both the Mexican and U.S. governments require exchange houses in their countries to report all dollar purchases above $10,000. Yet the edict is often ignored, according to banking and government sources.

And some of the money changers are believed to be involved — perhaps unwittingly — in money laundering for drug traffickers and others, according to Mr. Jernigan of the U.S. Customs Service.

Hundreds of new dealers sprouted up in the last two years as the peso began to plummet against the dollar.

Many foundered from their inexperience, according to Joseph V. Hettler, an executive vice president at McAllen State Bank. "The margins got pretty thin — as small as a peso, and a lot of them couldn't make it," he said.

That apparently has not been a problem for the González family. It has operated its money house here, situated at a prime intersection a quarter of a mile north of the border, since 1976.

Mr. González said that by paring margins to a few pesos last year, he helped thin the ranks of money changers in Hidalgo, a town of 2,000, after their number swelled to more than 50.

Already wealthy from what local bankers call shrewd investments in real estate and retailing, the family has a reputation along the border for savvy, honest and well-capitalized currency trading. It has long owned a separate exchange house in Reynosa.

"They've got good timing, good judgment and they are good to do business with," said Miguel Urie, manager of the Border Money Exchange, a large money house in Brownsville, Texas.

The family's timing and judgment were at work on June 10, when Mr. González's sister arranged to buy 179 million pesos at 630 to the dollar, on a hunch that they could quickly sell them at higher prices.

After a few fast-paced phone calls, Mr. González and his sister were smiling broadly. The 179 million pesos fetched an average price of 624 to the dollar — for a quick profit of $2,700.

The sales involved money changers in San Ysidro, south of San Diego and across the boarder from Tijuana, and individuals in Uruapan and near Guadalajara, two cities in Mexico's western highlands, as well as individuals in Reynosa and south Texas.

"The biggest sale was locally, to someone I knew who needed the pesos," said Mr. González. "The other ones came from people who called us."

Access to timely information is crucial to the González family, as it is for any currency traders.

Four months ago, for instance, the family held more than $2 million worth of pesos when it learned overnight that two big Mexican companies had decided to sell a total of $17 million worth of pesos.

The next morning, precisely at 9, when Mexican banks opened, Mr. González said he and his brother sold all of their pesos, limiting what could have been a major loss of $330,000 to a loss of about $16,000.

IMF Flexibility Sought

The International Monetary Fund apparently is showing signs of greater flexibility in demanding major budget deficit cuts from Mexico, Reuters reported Tuesday from Washington, quoting U.S. officials.

The IMF, which had pressed for deficit cuts that Mexico rejected as too deep, is now suggesting that reductions could be staged in a way that would ease the burden early in the economic reform program, the officials said.

Concerns about Mexico's ability to pay its $97.5-billion foreign debt have caused anxiety in financial markets. The deficit currently totals around 12 percent of Mexico's national output, and the fund is understood to be pressing for cuts to reduce the total to 6 percent.

The U.S. Treasury secretary, James A. Baker 3d, said Monday that Washington was pressing the IMF and other institutions to "take account not just of the economic consequences of reform programs, but the political consequences."

The officials said the IMF is considering a plan that places the bulk of deep budget cuts toward the end of a two-and-a-half-year period.

STRESS: *Stimulus or Risk?*

(Continued from first finance page)

in London, has sold his chemo-feedback stress-evaluation package to four British multinationals and has tested 200 executives at the center.

The stress-evaluation tests combine such physical measures as blood pressure; biochemical measures, such as cholesterol level; a life-event stress scale, and the Type-A personality questionnaire. The life-event stress scale, created by Dr. Thomas H. Holmes and Dr. Richard H. Rahe, assigns a stress score to 43 life events. Death of a spouse, for instance, rates as the worst cause of stress, with 100 points.

"You put all these various factors together and you can predict whether an executive will have a heart attack in the next five years," says Dr. Carruthers.

"But results are kept confidential," he says, even if the corporation pays for the tests.

The computerized tests take half an hour and cost £50 ($75) for an individual and £20 to £30 per person if conducted for a company.

CURRENCY MARKETS

Dollar Strengthens in Thin Market

Compiled by Our Staff From Dispatches

NEW YORK — The dollar closed stronger in thin U.S. trading Tuesday, buoyed by short-covering and corporate buying. Dealers said they expected the dollar to hold at the upper end of its current 2.21-2.24 Deutsche mark trading range in the near future.

Gary Dorsch, a currency analyst with G.H. Miller & Co. in Chicago, said that when the dollar failed to fall or stay below the technical levels of 165 Japanese yen and 2.20 DM, traders moved in and bought dollars to cover short positions, or agreements to sell dollars.

He also cited trader fears of intervention by the Bank of Japan to support the dollar against the yen as helping to bolster the dollar.

Trading was light, with West German markets closed for a holiday and many U.S. dealers sitting on the sidelines awaiting the Commerce Department's scheduled revision of first-quarter gross national product data on Wednesday.

London Dollar Rates

Closing	Tue.	Mon.
Deutsche mark	2.2370	2.2085
Pound sterling	1.5040	1.5235
Japanese yen	167.65	165.45
Swiss franc	1.8473	1.8168
French franc	7.1350	7.0250

Source: Reuters

In New York, the dollar rose 2 pfennigs from Monday's close, to 2.2380 DM, and more than 1½ yen, to 167.95. It also rose to 7.1370 French francs from 7.0730 and to 1.8483 Swiss francs from 1.8283.

The British pound eased to $1.5035 from $1.5055.

In earlier trading in London, the U.S. currency surged more than 3½ pfennigs from its Monday close and 1 pfennig from the opening to end at 2.2370 DM. It also firmed to 167.65 yen from 167.05 at the opening and 165.45 at Monday's close.

Dealers said that Tuesday's report of a sharp, 7.4-percent fall in U.S. housing starts in May [illegible]gered a brief run out of th[illegible] pushing it to a quoted low [illegible] DM in early afternoon trad[illegible] the strong short-covering th[illegible] gan in New York on M[illegible] quickly took over again, the[illegible]

In other markets, meanw[illegible] dollar was fixed at midaft[illegible] Paris at 7.0885 French [illegible] from 7.0095 at the Mon[illegible] and at 45.45 Belgian franc[illegible] sels, up from 44.91. In Zu[illegible] dollar closed at 1.8373 S[illegible] francs, up from 1.8143.

In Johannesburg, the South [illegible] can commercial rand jumpe[illegible] U.S. cents, to close at 40.55 [illegible] dollar from 38.60, on a com[illegible] tion of market thinness and [illegible] bank intervention.

Dealers said that a 1.2-bi[illegible] rand spending package anno[illegible] by the South African autho[illegible] had little effect on trading and [illegible] unlikely to change current b[illegible] sentiment toward the curren[illegible] (Reuters, AP.)

Eurotunnel Sets Share Placement

Reuters

PARIS — Eurotunnel, the Anglo-French consortium that won the battle to build an English Channel tunnel linking Britain and France, is preparing to raise £200 million ($300 million) through an international share placement, finance officials for the consortium said Tuesday.

Eurotunnel is the holding company for an Anglo-French partnership, Channel Tunnel Group-France Manche, which is hoping to begin construction next summer of a twin-bore rail tunnel to carry passengers and motor vehicles between the two countries. The consortium, which won the contract against several rival bids in January, plans to open the rail link by 1993.

Officials said that the private share placement, to be taken up by institutional investors mainly in Britain, France, the United States and Japan, will be completed by the end of July.

TRADE: *Curbs Relaxed*

(Continued from first finance page)

said in a report released Tuesday, The Associated Press reported from Geneva.

But the report also cited "significant instances of successful opposition to protectionist pressures," specifically in the United States and Japan.

Reviewing world trade between October 1985 and March 1986, the GATT report noted efforts to open markets in both developing and industrialized countries.

But it found "no notable slackening of pressures for additional measures of protection for uncompetitive industries in developed countries."

The officials said that preparations for the Punta del Este talks might come unstuck if the escalating dispute with the United States over farm exports turned into a full-scale trade war.

11 Gimbels Stores Are Sold by Batus

United Press International

NEW YORK — Batus [illegible] owner of the Gimbels depar[illegible] store chain, announced on Tue[illegible] the sale of 11 more outlets, bri[illegible] to 19 the number of Gimbels s[illegible] sold under the company's re[illegible] turing plan.

Talks on the remaining 17 [illegible] bels stores, including the fla[illegible] store in New York's Herald Sq[illegible] and one on East 86th Street, a[illegible] as stores in Pittsburgh and Wi[illegible] sin, are continuing.

Batus, a subsidiary of BAT [illegible] dustries of London, said it [illegible] agreed that Allied Stores [illegible] would acquire 10 stores in [illegible] York, Pennsylvania and New [illegible] sey, plus the lease on the Gim[illegible] distribution center in Jersey [illegible] New Jersey. Under a sep[illegible] agreement, Associated Dry G[illegible] Corp. will acquire one Gim[illegible] store in Paramus, New Je[illegible] Terms of the two transactions [illegible] not disclosed.

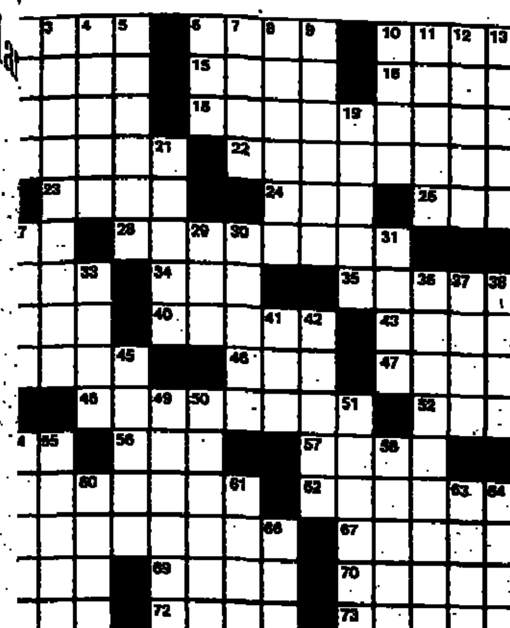
Tuesday's OTC Prices

NASDAQ prices as of 3 p.m. New York time.

Via The Associated Press

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.



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ACROSS
…d coverings
… Jeanne
…b order
…rty
…peau
…s's vehicle
…trills
…ritone
…wkins
…l
…ewalk game
…dgwood's
…ck ware
…nporary
…ner at court
…d: Comb.
…n
…adow
…nophone
…eir
…ora-to-Chi-
…o dir.
…odate
…nged top
…ecote
…d
…pass
…el
…ator from
…h
…tical
…sting
…nolished, in
…on
…perty-tax
…wer
…l's cry
…dicament
56 Bridal-section word
57 Persephone's abduction site
59 The —— Cup, in yachting
62 Not so fast
65 Summer straw
67 Composer Montemezzi
68 Suffix with system
69 Wimp's cousin
70 Kind of hanger
71 Diamond group
72 Explosives
73 Like a bikini

DOWN
1 Rhyme scheme
2 "The Ballad of Kintillo" author
3 Smilers in an old song
4 Wallace running mate
5 Steeds' needs
6 Telegraphic dash
7 Town in Venezuela
8 A less grand rapid
9 Wyo. city
10 Natatorium
11 Cordage fiber
12 More agreeable
13 Snickering sound
19 Desist's partner
21 "A —— of Class," 1973 film
26 Bird watcher
27 PBS program
29 Feathery scarf
30 "Alki," to an Evergreen State native
31 Prof's concoction
33 Person who is sui generis
36 Crockery
37 Kind of weed
38 Originator of euphuism
41 Slammer occupant
42 Arsonist's anathema
45 Serge de Nimes
49 Geometric line
50 Certain female fowl
51 Sign for a hitch
53 —— Current (Black Stream)
54 Noted violin
55 "—— White," Kingsley play
58 Night, in Napoli
60 Derby, for one
61 Turkestan native
63 Blithe spirits
64 Viscous
66 N.F.L. goals

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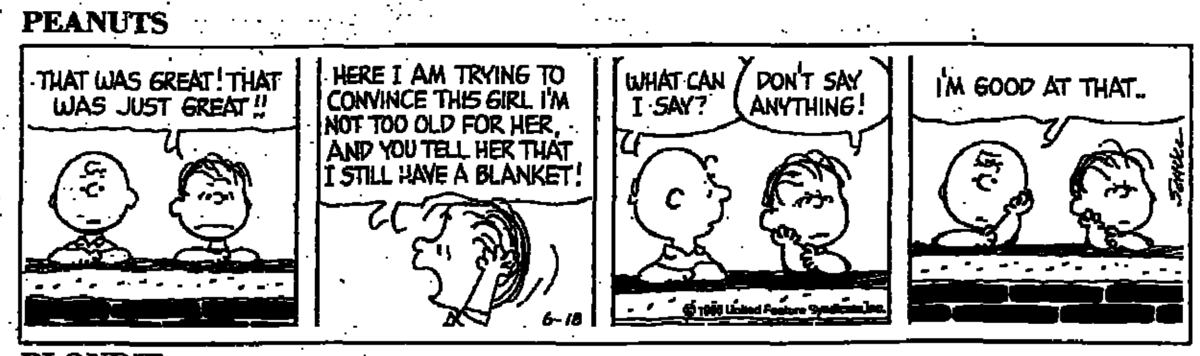
PEANUTS



BLONDIE

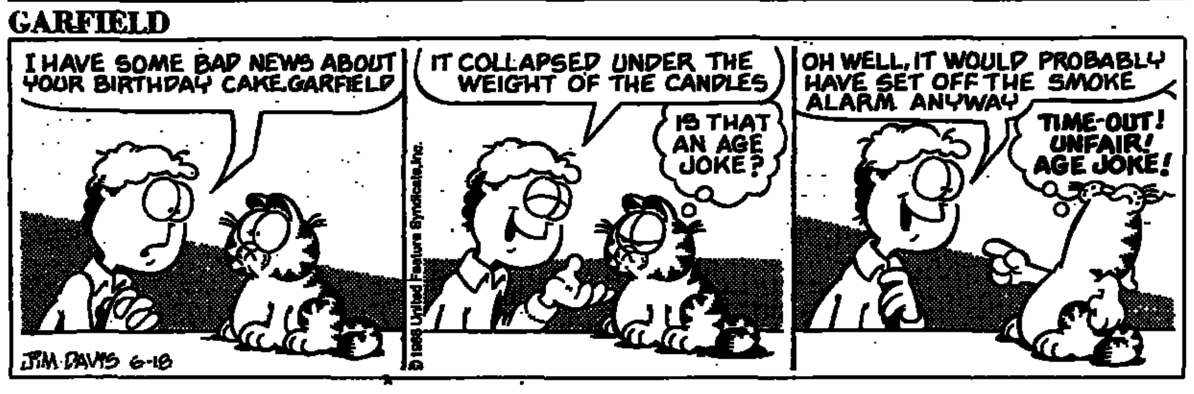
BEETLE BAILEY

ANDY CAPP

WIZARD of ID

REX MORGAN

GARFIELD



…NIS THE MENACE

…DAD BUILT THIS …T FOR YOU!"

"HE GOT HOMESICK!"

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

…amble these four Jumbles, …tter to each square, to form …rdinary words.

…OCEV

UMIS

…RAYBE

…DION

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

…er here: "[ ][ ][ ]-[ ][ ]-[ ][ ][ ]"

(Answers tomorrow)

…day's Jumbles: GAMUT AFIRE SLOUCH EASILY
Answer: What their efforts at stealing apples were— FRUITLESS

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
	24	75	17	63	cl
…lam	27	81	18	64	fr
	33	91	25	77	fr
…na	22	72	14	57	cl
…e	30	86	15	59	fr
	31	88	18	64	fr
	29	84	17	63	fr
…st	31	88	17	63	fr
…i	31	88	19	66	fr
…mna	26	79	11	52	fr
…el Sol	25	77	17	63	fr
	15	59	11	52	o
…sh	15	59	11	52	r
	27	81	13	55	cl
…rt	29	84	16	61	fr
	25	77	14	57	cl
	26	79	12	54	fr
	—	—	20	68	na
…nas	23	73	18	64	cl
	21	70	15	59	cl
	23	73	16	61	o
	31	88	13	55	fr
	24	75	16	61	cl
	16	61	11	52	cl
	27	81	13	55	st
	25	77	18	64	cl
	24	75	15	59	fr
	27	81	19	66	st
	30	86	14	57	cl
…lk	9	48	6	43	o
	20	68	15	59	r
…rn	28	82	14	57	fr
…rg	28	82	16	61	cl
	28	82	19	66	fr
	30	86	19	66	fr
	27	81	16	61	cl
	28	82	13	55	cl
MIDDLE EAST					
	—	—	10	50	na
	—	—	—	—	na
	—	—	—	—	na
	28	82	15	59	fr
	30	86	18	64	fr
OCEANIA					
	11	52	1	34	fr
	20	68	12	54	o

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	35	95	27	81	fr
Beijing	34	93	19	66	fr
Hong Kong	30	86	26	79	cl
Manila	32	90	24	75	st
New Delhi	39	102	28	82	fr
Seoul	20	68	17	63	fo
Shanghai	28	82	20	68	fo
Singapore	31	88	25	77	st
Taipei	33	91	24	75	fo
Tokyo	24	75	20	68	sh
AFRICA					
Algiers	29	84	14	57	fr
Cairo	—	—	22	72	na
Cape Town	—	—	10	50	na
Casablanca	22	72	18	64	cl
Harare	—	—	7	45	na
Lagos	—	—	28	82	na
Nairobi	—	—	13	55	na
Tunis	—	—	20	68	na
LATIN AMERICA					
Buenos Aires	21	70	16	61	o
Caracas	28	82	20	68	r
Lima	—	—	—	—	na
Mexico City	24	75	15	59	pc
Rio de Janeiro	—	—	—	—	na
NORTH AMERICA					
Anchorage	21	70	10	50	fr
Atlanta	33	91	22	71	pc
Boston	26	79	21	69	fr
Chicago	21	69	10	49	fr
Denver	34	92	14	57	fr
Detroit	21	69	10	49	fr
Honolulu	31	87	23	73	pc
Houston	32	89	23	73	pc
Los Angeles	27	80	16	61	fr
Miami	31	87	24	75	st
Minneapolis	26	79	9	48	fr
Montreal	—	—	—	—	na
Nassau	29	84	25	77	fr
New York	27	81	19	66	fr
San Francisco	20	68	14	57	pc
Seattle	16	61	12	54	r
Toronto	20	68	—	—	fr
Washington	29	83	12	54	fr

…dy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; …wers; sw-snow; st-stormy.

…SDAY'S FORECAST — CHANNEL: Slightly choppy. FRANKFURT: … Temp. 29 — 18 (84 — 64). LONDON: Cloudy. Temp. 20 — 13 (68 — 55). …D: Stormy. Temp. 31 — 18 (88 — 64). NEW YORK: Sunny. Temp. 24 — 14 (75 — 57). ROME: Partly … 73 — 56). PARIS: Cloudy. Temp. 30 — 18 (86 — 64). TEL AVIV: Sunny. Temp. … Temp. 27 — 15 (81 — 59). BANGKOK: Fair. Temp. 35 — 27 …: Stormy. Temp. 28 — 17 (82 — 63). MANILA: Stormy. Temp. 30 — 26 (86 — 79). … HONG KONG: Cloudy. Temp. 26 — 17 (68 — 17). 32 — 24 (90 — 75). SEOUL: Foggy. Temp. … TOKYO: Showers. Temp. …ORE: Stormy. Temp. 31 — 25 (88 — 77). (75 — 68).

World Stock Markets

Via Agence France-Presse June 17

Closing prices in local currencies unless otherwise indicated.

Hong Kong

	Close	Prev.
Bk East Asia	18.60	18.60
Cathay Pacific	5.60	5.50
Cheung Kong	20.80	20.40
China Light	16.40	15.80
Green Island	8	8
Hang Seng Bank	35	35
Henderson	2.175	2.15
China Gas	16	15.70
HK Electric	8.85	8.85
HK Realty A	10.40	10.40
HK Hotels	36.25	35.75
HK Land	5.90	5.90
HK Shang Bank	6.90	6.80
HK Telephone	12.10	12
HK Yaumatei	2.925	2.975
HK Wharf	7.05	7
Hutch Whampoa	29.30	28.90
Hysan	0.67	0.67
Jardine	12.80	12.50
Jardine Sec	12.40	12.20
Kowloon Motor	8.75	8.65
Miramar Hotel	3.875	3.85
New World	6.05	5.90
SHK Props	12.50	12.40
Stelux	1.64	1.64
Swire Pacific A	12.20	11.80
Tai Cheung	1.94	1.93
Wing On Co	1.41	1.42
Winsor	8.70	8.65
World Int'l	2.425	2.40

Hang Seng Index: 1789.34
Previous: 1765.65

Milan

	Close	Prev.
Banco Comm	26200	26200
Cigahotels	5200	5250
CIR	13400	13200
Cred Ital	3755	3800
Eridania	5110	5210
Formitalia	15100	15050
Fiat	12310	12871
Generali	132100	134350
IFI	26900	27700
Italcementi	70700	71200
Italgas	3100	3100
Italmobiliari	116800	113100
Mediobanca	233000	232300
Montedison	3422	3352
NBA	3655	3570
Olivetti	14500	14550
Pirelli	5350	5300
RAS	53300	N.A.
Rinascente	1090	1085
SIP	3550	3520
SME	2601	2582
Snia	5340	5350
Standa	14750	14800
Stet	5695	5690

MIB Current Index: N.A.
Previous: 1618

Singapore

	Close	Prev.
Cerebos	2.84	2.79
Cold Storage	3.06	2.96
DBS	6.65	6.45
Fraser Neave	6.90	6.80
Haw Par	2.74	2.71
Hume	1.93	1.87
Inchcape	2.18	1.99
Lum Chang	0.91	0.90
Malayan Banking	3.68	3.78
OCBC	7.25	7.10
OUB	2.90	2.88
OUE	2.20	2.13
Shangri-la	2.70	2.70
Sime Darby	1.42	1.39
S'pore Airlines	6.65	6.55
S'pore Land	3.34	3.10
S'pore Press	7	6.80
S Steamship	1.06	1.01
St Trading	3	2.92
UOB	3.88	3.78
United Overseas	1.15	1.10

Straits Times Ind Index: 719.83
Previous: 703.38

Sydney

	Close	Prev.
ACI	3.55	3.55
ANZ	5.02	5.20
BHP	8.88	8.86
Boral	4.50	4.55
Bougainville	2.42	2.49
Coles Myer	5.30	5.44
Comalco	2.32	2.32
CRA	6.26	6.46
CSR	3.35	3.43
Dunlop	3.28	3.33
Elders Ixl	4.48	4.70
ICI Australia	2.45	2.48
Magellan	1.32	1.35
MIM	2.10	2.20
Nat Aust Bank	5.64	5.76
News Corp	18.80	19.40
N Broken Hill	1.90	1.95
Poseidon	2.90	3.02
Qld Coal Trust	1.70	1.73
Santos	3.83	3.83
Thomas Nation	3.32	3.28
Western Mining	3.20	3.22
Westpac Banking	4.68	4.80
Woodside	0.93	0.94

All Ordinaries Index: 1197.20
Previous: 1209.10

Tokyo

	Close	Prev.
Akai	476	447
Asahi Chemical	830	831
Asahi Glass	1240	1250
Bank of Tokyo	795	796
Bridgestone	715	736
Canon	1010	1020
Casio	1610	1580
C.Itoh	481	482
Dai Nippon Print	1960	2000
Daiwa House	1360	1400
Daiwa Securities	1630	1680
Fanuc	6720	6750
Fuji Bank	1510	1520
Fuji Photo	2820	2820
Fujitsu	975	974
Hitachi	864	870
Hitachi Cable	939	939
Honda	1160	1170
Japan Air Lines	9900	9680
Kajima	877	895
Kansai Power	2460	2480
Kawasaki Steel	184	185
Kirin Brewery	1460	1460
Komatsu	486	490
Kubota	366	367
Kyocera	4030	4100
Matsu Elec Inds	1490	1510
Matsu Elec Works	1390	1410
Mitsubishi Bank	1450	1450
Mitsubishi Chem	735	738
Mitsubishi Elec	348	352
Mitsubishi Heavy	385	387
Mitsubishi Corp	770	765
Mitsui and Co	459	462
Mitsukoshi	1180	1200
Mitsumi	1090	1100
NEC	1510	1530
NGK Insulators	955	956
Nikko Sec	1200	1240
Nippon Kogaku	1100	1090
Nippon Oil	1230	1230
Nippon Steel	173	176
Nippon Yusen	426	428
Nissan	555	559
Nomura Sec	2230	2260
Olympus	1200	1210
Pioneer	2400	2410
Ricoh	913	911
Sharp	987	991
Shimazu	1090	1090
Shinetsu Chemical	1170	1200
Sony	3450	3450
Sumitomo Bank	1810	1840
Sumitomo Chem	393	395
Sumitomo Marine	920	920
Sumitomo Metal	155	156
Taisei Corp	523	530
Taisho Marine	809	806
Takeda Chem	1590	1590
TDK	3810	3850
Teijin	518	514
Tokio Marine	1330	1330
Tokyo Elec.Power	3980	3980
Toppan Printing	1570	1570
Toray Ind	555	560
Toshiba	405	408
Toyota	1560	1570
Yamaichi Sec	1170	1210

Nikkei 225: 17875.89
Previous: 17785.68
New Index: 1322.18
Previous: 1327.67

Zurich

	Close	Prev.
Adia	6500	6450
Alusuisse	715	715
Autophon	7775	7800
Bank Leu	3575	3525
Brown Boveri	1850	1840
Ciba Geigy	3600	3600
Credit Suisse	3690	3690
Electrowatt	3450	3425
Interdiscount	5100	5100
Jacob Suchard	7900	7850
Jelmoli	3450	3400
Landis Gyr	1800	1830
Moevenpick	6880	6850
Nestle	8775	8200
Oerlikon-B	1890	1880
Roche Baby	11350	11400
Sandoz	1710	1690
Schindler	3950	3750
Sulzer	591	593
Surveillance	5925	5900
Swissair	1600	1625
SBC	539	540
Swiss Reinsurance	3150	3400
Swiss Volksbank	2440	2420
Union Bank	5520	5490
Winterthur	6400	6400
Zurich Ins	3390	3400

SBC Index: 628.40
Previous: 627.30

N.Q.: not quoted; N.A.: not available; xd: ex-dividend.

Toronto *June 16*

Canadian stocks via AP

Sales	Stock	High	Low	Close	Chg.
4400	Abti Prce	$25½	24⅞	24⅞	—⅛
1126	Agnico E	$22½	22	22	—½
1600	Agra Ind A	$16¼	16¼	16¼	+¼
88934	Alt Energy	$12	11¾	11¾	—¼
6800	Alta Nat	$13	12¾	13	+½
241	Algoma St	$15⅝	14⅞	14⅞	—½
12350	A Barick	$13⅞	13⅝	13¾	—⅜
21232	Atco I f	$8¾	8⅝	8¾	+⅛
30907	BCED	430	425	430	+5
500	BCED A	$6½	6½	6½	—⅛
428	BP Canada	$29¾	29½	29¾	+¼
7351	Bank BC	340	330	335	—5
154801	Bank N S	$15⅝	15⅜	15½	
21708	Baton	$25	24½	25	+1
324	Bonanza R	160	160	160	
1010	Bralorne	140	136	136	—9
1840	Bramalea	$20½	20	20½	+¼
800	Brenda M	$8¼	8¼	8¼	
38760	BCFP	$12¾	12½	12¾	+¼
16540	BC Res	140	138	139	—1
11137	BC Phone	$27½	27¼	27¼	—⅜
3550	Brunswk	$15	14⅝	14⅝	—⅜
900	Budd Can	$34¾	34¾	34¾	
6775	CAE	$22⅝	22⅜	22⅝	+⅛
100	CCL A	$18¾	18¾	18¾	—¾
7981	CCL B f	$19¼	18⅞	18⅞	—⅜
4900	Cad Frv	$19¾	19¾	19¾	—⅛
10557	Campeau f	$27¼	27	27	
8784	C Nor West	$15¾	15½	15⅝	
1075	C Packrs	$44½	44	44½	+¼
1812	C Tung	$8¾	8¾	8¾	
202360	CI Bk Com	$18¼	18	18	—¼
32535	CTire A f	$14⅞	14¾	14¾	
500	C Util B	$18⅝	18⅝	18⅝	+½
358	Cara	$32⅝	32⅜	32⅜	—⅜
3564	Celanese	$18¼	18	18¼	+¼
11379	Centrl Tr	$21½	21⅜	21⅜	—¼
100	CHUM	$56½	56½	56½	+1
84140	Cineplex	$22¾	22⅝	22⅝	+⅛
3600	C Distb A	$7⅞	7¾	7¾	
33201	CDistb B f	$7¾	7⅝	7⅝	—⅛
29050	CTL Bank	$10	9¾	9⅞	+¼
200	Conwest A	$8⅞	8⅞	8⅞	+⅛
1400	Coseka R	116	116	116	
2425	Conron A	$17¼	17¼	17¼	
4100	Crownx	$33¾	33½	33½	
3200	Czar Res	140	135	135	—10
5958	Denison A p	$7¼	7	7	—¼
8703	Denison B f	$6⅞	6¾	6⅞	
100	Develcon	350	350	350	
8850	Dicknsn A f	$7¼	6¾	6¾	—⅜
7800	Dicknsn B	$7⅛	6¾	6¾	—⅜
32094	Dofasco	$30¼	30	30¼	
25330	Donohue	$24½	24½	24½	+1
220	Du Pont A	$33½	33½	33½	
99675	Dylex A	$18½	18	18⅛	
2067	Elcham X	$12½	12	12½	+½
800	Emco	$30¾	30½	30¾	+¼
4500	Equity Svr	410	405	405	—5
2700	FCA Intl	$17½	17½	17½	+⅛
660	C Falcon C	$18⅜	18⅜	18⅜	
14300	Ficnbrdge	$22¼	21⅞	22	—¼
14825	Fed Ind A	$17⅝	17	17⅝	+½
1300	Fed Plan	$32	31	32	+1
2700	F City Fin	$16	15¾	15¾	
1766	Gendis A	$21¾	21½	21½	—¼
980	Geac Comp	$5⅝	5⅛	5¼	
2100	Gibraltar	$10	10	10	
5150	Goldcorp f	$6¼	6⅛	6⅛	—⅛
100	Goodyear	$40⅞	40⅞	40⅞	—1
600	Graft G	$21½	21	21½	+½
600	GL Forest	$23½	23¼	23½	+¼
150	Gt Pacific	$39	39	39	+1
2100	Greyhnd	$27¾	27½	27¾	+¼
2500	H Group A	460	460	460	
460	Hawker	$27⅞	27¾	27⅞	—⅛
4473	Hayes D	$14½	14½	14½	—⅛
19640	Hees Intl	$35⅝	35	35	—⅝
360	Hollinger I	$24¼	24¼	24¼	—¼
1160	H Bay Co	$29	28⅞	28⅞	—¼
32017	Imasco	$34⅞	34⅝	34⅝	—⅛
33000	Indal	$17¾	17⅝	17⅝	
2705	Inland Gas	$11¾	11⅝	11⅝	—¼
13500	I Corona o	$20⅞	20⅝	20⅝	—⅜
9353	Intl Thom	$11¼	11⅛	11¼	+¼
6540	Inter Pipe	$44½	43⅞	43⅞	—⅛
600	Ipsco	$9¼	9¼	9¼	
200	Ivaco B	$24	24	24	—¼
4900	Jannock	$28⅝	28½	28⅝	+¼
1800	Kelsey H	$26	25⅞	26	
2250	Kerr Add	$15⅝	15⅝	15⅝	—½
20409	Labatt	$47⅝	47½	47⅝	+¼
760	Lacana	$8⅝	8¼	8¼	—⅛
875	LOnt Cem	$25⅝	25⅜	25⅝	+¼
14015	Loblaw Co	$13⅛	12¾	12⅞	
6700	Lumonics	$14⅝	14½	14½	—⅛
15390	Magna A f	$33¼	32⅝	32⅝	—⅝
750	MDS H A	$17⅝	17⅜	17⅜	—⅜
49500	MICC	$7⅞	7⅝	7⅝	—⅜
1865	Mclan H X	$18¾	18⅝	18¾	
1702	Maritime f	$15⅝	15¼	15¼	—¼
1100	Merland E	187	187	187	
22733	Molson A f	$29½	28⅞	29⅛	+¼
710	Molson B	$29	29	29	+¼
100	Murphy	$19¾	19¾	19¾	—¼
1548	Nabisco L	$42	41½	42	+½
117911	Noranda	$18¾	18½	18⅝	—⅛
3111	Norcen	$13½	13¼	13¼	
52490	Nva AltA f	475	470	470	
50700	Nowsco W	$11	10½	11	
10492	NuWst sp A	31½	29	31½	+2½
1675	Oakwood	325	320	320	—5
55612	Omnibus o	480	470	480	—5
8680	Oshawa A f	$44¼	44	44	—¼
2850	Pac W Airln	$14⅝	14¼	14½	—¼
4700	Pamour	$11¼	10½	10¾	—½
4210	PanCan P	$24⅝	24½	24½	—¼
5010	Pembina	$15¼	15¼	15¼	+¼
3200	Pine Point	$13	12¾	12¾	—½
143817	Placer	$24⅞	24	24¼	—⅜
1520	Que Sturg o	490	480	480	—10
8600	Rayrock f	$6¼	6⅛	6¼	
11450	Redpath	$26	25¼	26	+½
1282	Rogers A	$24⅝	24⅝	24⅝	+⅛
400	Roman	$9	9	9	
2150	Rothman	$39¾	39	39¾	+1
1550	Sceptre	270	270	270	
3700	Scotts f	$40	39⅞	40	+⅛
6177	Sears Can	$14½	14¼	14¼	—¼
5630	SHL Systm	$27½	27	27	
1738	Selkirk A f	$24¼	24¼	24¼	+¼
28417	Shell Can	$23	22⅞	23	
4400	Sherritt	$6⅞	6¾	6¾	—⅛
500	Slater B f	$14½	14½	14½	—⅛
51700	Southam	$24½	24⅜	24½	
3908	Spar Aero f	$26½	26¼	26⅜	
49540	Stelco A	$25⅛	24⅞	25	—⅜
2000	Sulpetro	38	38	38	+2
1200	Teck Cor A	$23	22¾	23	+⅜
92824	Teck B f	$23⅛	22⅞	23⅛	+⅛
8640	Tex Can	$26¾	26⅜	26⅜	—⅛
22755	Thom N A	$32¼	31½	32¼	+¼
124779	Tor Dm Bk	$23¾	23¼	23¼	—½
6579	Torstar B f	$30½	30¼	30⅜	
15124	Traders A f	$50¾	50¼	50½	+¼
2650	Trns Mt	$12½	12¼	12¼	—¼
41234	TrnAlta UA	$28⅝	28⅜	28½	+¼
42816	TrCan PL	$17½	17¼	17½	+¼
207	Trimac	220	220	220	—10
63338	Trilon A	$34½	34¼	34½	
400	Trizec A f	$38¾	38½	38¾	+½
59602	Turbo	51	48½	50	
3200	Unicorp A f	$10⅛	10	10⅛	
3800	Un Carbid	$16⅞	16	16⅞	+⅜
8343	U Entprise	$12⅛	12	12	+⅛
912	U Keno	$7½	7½	7½	
7200	Versil A f	300	280	290	+5
6400	Vestgron	61	61	61	—89
4300	Wardair	$15½	15½	15½	
100	Weldwod	$20⅞	20⅞	20⅞	—⅛
2119	Westmin	$8¼	8	8¼	+¼
3280	Weston	$32½	32¼	32¼	+¼
15072	Woodwd A	$6⅝	6½	6⅝	+⅛

Total sales 10,061,247 shares

	Close	Previous
TSE 300 Index:	3,072.20	3,089.00

Montreal *June 16*

Sales	Stock	High	Low	Close	Chg.
15011	Bank Mont	$33	32⅝	32⅝	
945	BombrdrA	$21¼	21⅛	21⅛	—¼
5175	BombrdrB	$20¾	20½	20½	
900	CB Pak	$27⅛	27	27⅛	+ +
218397	Cascades	$16⅞	16	16¾	+1
500	CIL	$31½	31½	31½	—¼
5050	ConBath	$25	24⅝	24⅝	—⅜
6328	DomTxtA	$22	21	21¾	+½
7687	Gaz Metro	$11⅞	11¾	11¾	—¼
3590	MntTrst	$26¼	26⅛	26¼	—⅛
153163	NatBk Cda	$29	28¾	28¾	
49936	Power Corp	$19½	19⅜	19⅜	—¼
20192	Provigo	$20⅝	20½	20½	—⅛
28269	Royal Bank	$32¼	31⅞	32	
600	RoyTrstco	$31¾	31⅝	31⅝	—⅛
636	SteinbrgA	$45½	45	45	—¾

Total Sales 2,663,688 shares.

	Close	Previous
Industrials Index:	1,444.89	1,445.58

Sports News, Pages 8 and 9

BOOKS

BEACHMASTERS

By Thea Astley. 185 pages. $14.95. Viking, 40 West 23d Street, New York, N. Y. 10010.

Reviewed by Michiko Kakutani

"THE heat, the wet had become components of their minds as well as their skins," writes Thea Astley in her fierce new novel. "They made money and they lost money and still they stayed. It was the tug of the Pacific that clutched them, the idea of it, the leisurely drawl, the casualness, the supremacy of ruling their own three, four, five thousand acres of colonnaded palms with the cattle dawdling beneath."

The place that these travelers, adventurers, colonists have come to visit is a tiny South Pacific island named Kristi, and the island exerts its spell on nearly everyone who lingers on its shores.

Writing in soft, musical language, Astley — the author of nine previous novels, published in Australia — conjures up Kristi in all its Edenic loveliness. Her concern, however, lies not with the beauty of Kristi, but with the consequences that the passion it inspires will have on the lives of the islanders and the foreigners who have colonized its shores.

After years of being jointly ruled by the British and the French, the island is now pitched on the brink of revolution. And while that fight starts out as the most decorous of rebellions — the insurgents politely knock on people's doors to inform them of the impending revolution — it will reverberate loudly, and in some cases tragically, in the lives of everyone *who lives there.*

Well-versed in the clichés that infect both colonialism and liberation movements, Astley chronicles Kristi's short-lived revolution with the sort of comic brio that recalls V.S. Naipaul's earlier fiction. And yet, even at her most sardonic, she demonstrates a special compassion for her characters' foolishnesses and failings.

By the end of the novel, Astley has given us a gallery of portraits that combine to give us a visceral sense of Kristi as a wholly realized community, class-bound but intimate.

It is Tommy Narota, the visionary leader of the revolution, and Gavi Salway, the young grandson of an old-time planter, however, who hold center stage, for as their lives are drawn together in "horrible circles of completed fate," the reader begins to realize that the story of Kristi's abrupt initiation into modern history is also the story of their loss of innocence and betrayal. Both Tommy and Gavi are hapkas — mixed blood islanders — and their choice to avow their heritages will determine the shape of their families' lives.

What begins for young Gavi as a simple embracing of his paternity will lead to disillusionment with his beloved grandfather; and it will also lead to his discovery of death and exile. Though such dramatic events lend themselves all too easily to hyperbole and sentimentality, Astley neatly sidesteps these pitfalls, creating a narrative that is as remarkable for its casual epic lyricism as it is for its ability to relay private emotions.

Michiko Kakutani is on the staff of The New York Times.

Solution to Previous Puzzle

S	A	G	A	S		O	D	D	S		I	D	E	A
P	R	I	M	P		B	E	A	T		L	E	N	S
C	I	V	I	L		E	C	H	O		L	A	S	T
C	A	E	S	A	R	S	A	L	A	D		R	U	E
				S	E	E	M		T	I	M	B	E	R
S	T	J	O	H	N		P	A	S	T	O	R		
A	M	U	R		A	S	S	T		C	R	U	S	H
R	E	L	I	A	N	T		M	A	H	A	T	M	A
I	N	I	O	N		E	T	O	N		S	U	E	T
		U	L	T	I	M	O		J	O	S	S	E	S
C	A	S	E	I	N		A	V	O	N				
A	R	M		C	A	S	S	I	U	S	C	L	A	Y
D	U	A	L		N	A	T	O		E	R	A	T	O
E	B	R	O		E	D	E	L		T	A	M	E	R
T	A	X	I		R	E	D	S		S	W	A	N	K

6/18/86

BEST SELLERS

The New York Times

This list is based on reports from more than 2,000 bookstores throughout the United States. Weeks on list are not necessarily consecutive.

FICTION

This Week		Last Week	Weeks on List
1	A PERFECT SPY, by John Le Carre	2	8
2	I'LL TAKE MANHATTAN, by Judith Krantz	1	8
3	THE BOURNE SUPREMACY, by Robert Ludlum	3	15
4	THE LAST OF THE BREED, by Louis L'Amour		1
5	THE GARDEN OF EDEN, by Ernest Hemmingway	6	3
6	THE EIGHTH COMMANDMENT, by Lawrence Sanders	8	2
7	LAKE WOBEGON DAYS, by Garrison Keillor	5	42
8	TAMING A SEA-HORSE, by Robert B. Parker		1
9	THE MAMMOTH HUNTERS, by Jean M. Auel	7	30
10	THE GOOD MOTHER, by Sue Miller	4	5
11	NOBODY LIVES FOREVER, by John Gardner	9	3
12	LIE DOWN WITH LIONS, by Ken Follett	10	20
13	BREAK IN, by Dick Francis	11	13
14	THE BOOK OF ABRAHAM, by Marek Halter	13	5
15	HIGH HEARTS, by Rita Mae Brown	16	5
	NONFICTION		
1	FATHERHOOD, by Bill Cosby	1	6
2	YOU'RE ONLY OLD ONCE! by Dr. Suess	2	14
3	THE TRIUMPH OF POLITICS, by David A. Stockman	3	6
4	JAMES HERRIOT'S DOG STORIES, by James Herriot	5	5
5	ENTER TALKING, by Joan Rivers with Richard Meryman	4	6
6	WHEN ALL YOU'VE EVER WANTED ISN'T ENOUGH, by Harold S. Kushner	6	9
7	BUS 9 TO PARADISE, by Leo Buscaglia	7	18
8	NECESSARY LOSSES, by Judith Viorst	8	8
9	YEAGER: An Autobiography, by Chuck Yeager and Leo Janos	15	47
10	IACOCCA: An Autobiography, by Lee Iacocca with William Novak	12	85
11	THE MAN WHO MISTOOK HIS WIFE FOR A HAT, by Oliver Sacks	9	11
12	ALL GOD'S CHILDREN NEED TRAVELING SHOES, by Maya Angelou	13	4
13	A LIGHT IN THE ATTIC, by Shel Silverstein		167
14	*BESS W. TRUMAN*, by *Margaret Truman*	11	7
15	"AND SO IT GOES," by Linda Ellerbee		1
	ADVICE, HOW-TO AND MISCELLANEOUS		
1	FIT FOR LIFE, by Harvey Diamond and Marilyn Diamond	1	43
2	THE ROTATION DIET, by Martin Katahn	2	4
3	CALLANETICS, by Callan Pinckney with Sallie Batson	2	29
4	WEBSTER'S NINTH NEW COLLEGIATE DICTIONARY	4	56
5	*THE BE (HAPPY) ATTITUDES*, by Robert Schuller	6	32

BRIDGE

By Alan Truscott

ON the diagramed deal, the North-South team gained when East-West, trying to regain lost ground, chose to defend two spades doubled. It might seem that South must lose three trump tricks and a trick in each side suit, but South was allowed to ruff two diamonds in his hand and create an end-play.

The club ten was led and covered round the table. South gave up a diamond trick, and West led his remaining club. When the declarer won in dummy and led the heart queen, East made the normal play of a low card that in this case proved a subtle error. A diamond was ruffed and a club was surrendered to East, who shifted to his singleton trump.

This was ducked to West, who played his remaining diamond, the final error for the defense. South ruffed and played the ace and another heart, to give East the lead in this end-position:

NORTH (D)
♠ 10 8 4
♡ Q J 4
♢ 10 9 8
♣ Q J 6 5

WEST
♠ K Q J 6
♡ 9 5 2
♢ K J 7 4
♣ 10 4

EAST
♠ 9
♡ K 10 8 3
♢ A Q 6 3 2
♣ K 9 8

SOUTH
♠ A 7 5 3 2
♡ A 7 6
♢ 5
♣ A 7 3 2

Both sides were vulnerable. The bidding:

North	East	South	West
Pass	1 ♢	1 ♠	Pass
Pass	Dbl.	Pass	1 N.T.
2 ♠	Pass	Pass	Dbl.
Pass	Pass	Pass	

West led the club ten.

NORTH
♠ 10 8
♡ —
♢ —
♣ 6

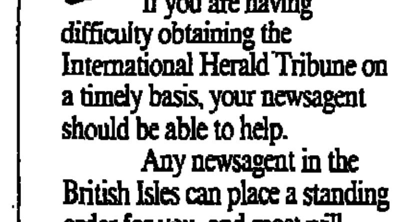
WEST
♠ K Q 6
♡ —
♢ —
♣ —

EAST
♠ —
♡ 10
♢ A Q
♣ —

SOUTH
♠ A 7
♡ —
♢ —
♣ 7

On any play from East, South could discard his club and West could score only one trump trick.

To our Readers in the British Isles.



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OBSERVER

Have Another Megaton

By Russell Baker

NEW YORK — Nobody can get enough anymore.

Remember all those bodies piled up at the end of "Hamlet"? Those were bodies enough for you, weren't they? Remember what you said? "Enough!" you said. "Not one body more, I prithee, sweet Shakespeare."

Well, then was then; now is now, and now is the time when nobody can get enough.

"What?" we howl as we sit in the movie house and see the final credits begin to roll. "Only 237 mutilated corpses smoking in that final scene, and you are already finished, sweet Stallone? Don't you love your audiences anymore?"

Remember when there were Scotch, bourbon, rye and gin? They were enough, weren't they? People said, "As long as I've got Scotch, got bourbon, got rye and got gin, what more could I wish for?"

All right, a beer chaser maybe.

And for the really insatiable crowd, the gluttons for all-out high flight, there was the marijuana cigarette with its thrilling promise of reefer madness.

That was enough, and more than enough, but not anymore.

Now we've got the Scotch, the bourbon, the rye, the gin, the beer chaser, and the marijuana cigarette. Not much progress there in the art of derailing the brain, is there?

That's why now we've also got the cocaine, we've got the heroin, we've got the angel dust, we've got the benzedrines and the tranquilizers, we've got the amyl and the butyl and the airplane glue, we've got the acid and the new super socko, zonko, right to the old cortexo of the cerebro stuff like "crack" and . . .

□

Remember the old blockbusters that used to drop on Berlin and London? Remember what you said when those babies started popping all around you? "Not one ounce more of TNT, sweet bomber pilots," you cried, "for these good old blockbusters are more than enough for me."

Well, then was then, bomberinos, and now is now with its sweet explosive excess. You're ashamed to admit you were once impressed by sitting under a falling blockbuster, aren't you? Didn't know what big booms could amount to, did you? Now you need that megatonnage, right?

Just got to have more bigger bombs because more and bigger, and richer and slicker, and sleazier and wickeder — those are what everybody needs when nobody can get enough anymore.

□

Take books.

Mother, do you remember when "Gone With the Wind" was a big, big book? Or "War and Peace"? Remember what you said when the smart-aleck son you loved even though he wasn't so bright came home from college and said, "You ought to read 'War and Peace,' Mom"?

"Good heavens, boy, I haven't been able to get through 'Anthony Adverse' yet and doubt I'll live long enough to read 'Gone With the Wind,' so don't start nagging me about 'War and Peace.'"

Yes, those once seemed like big, big books, mother, but that was long ago when a 300-page book was enough for people and a 900-page book was considered a lifetime job. Nowadays, of course, bookshops all over the country are slowly sinking into the earth under the megatonnage of 1,200-page books.

Everybody must feel shortchanged by life. And so we ask the world why it keeps cheating us instead of giving us the little enough we deserve.

Nowhere is it truer than in Wall Street, where people making millions are not satisfied with making millions and thus must make more millions. Ah yes, we all remember when Dad used to sit back over his second cup of coffee after the Sunday chicken dinner and tell everybody he would be a happy man if he could make a million.

Well, that was then, kiddies, and now is now. Now, if Dad, God bless him, hadn't gone on to the Great Eternal Bull Market in the sky, he would sit back over his second glass of Château d'Yquem after a six-course dinner in a three-star eatery outside Dijon and tell everybody he would be a happy man if only he could buy France and Italy, merge them with Germany and sell the whole thing to a fast-food chain.

The Age of Aquarius is over. This is the Age of Insatiability.

New York Times Service

Nouvelle Mystery: Who Cooked It?

Combining Cuisine and Whodunnits

By Nancy Harmon Jenkins
New York Times Service

NEW YORK — When the Judas Goats, a loose association of about 200 fans of Robert B. Parker's Spenser mysteries, held their annual get-together recently in Cambridge, Massachusetts, the fare came straight out of Parker's novels. Prepared and served at Tapas, a restaurant near Porter Square, the oyster stew was from "Promised Land" (1976), the roast duck from "Taming a Sea-Horse" (1986) and the cherry cobbler from "Ceremony" (1982).

Readers have come to expect nothing less from the tough-as-nails private investigator Spenser, a former boxer and gifted amateur cook whose culinary achievements, described with recipelike precision, sometimes advance the plot.

Midway through "Taming a Sea-Horse" (the 13th Spenser mystery, just published by Delacorte Press), on his way to uncovering a murky world of sex, crime and money extending from backwoods Maine to the Caribbean island of St. Thomas, Spenser returns to Boston to prepare a meal for his friend Susan Silverman, a psychologist. "The boneless chicken was marinating in the juice of one lemon and one orange with a little ginger," Parker writes. "The endive and avocado salad was ready to be tossed with dressing, and the cornmeal and onion fritters were formed and ready for the skillet. I was making the salad dressing out of lemon juice and olive oil and honey and mustard and raspberry vinegar when Susan unlocked my front door."

Parker and his sleuth are part of a venerable tradition of gastronomy in mystery novels, from Georges Simenon's Maigret, whose wife inspires him with *cuisine bourgeoise*, to Rex Stout's 287-pound Nero Wolfe, whose passion for fine food is fueled by his gifted Swiss cook, Fritz Brenner.

The Judas Goats are not the only mystery fan club to meet over food. In New York the Wolfe Pack celebrates Stout's rotund detective with a shad-roe dinner each April, when Wolfe's favorite food is in season. "Because Wolfe was from Montenegro, we have a Montenegrin dinner in the fall," said Jonathan Levine, a wine writer and the group's treasurer, "and a black-orchid banquet commemorating his passion for orchids in December."

Whoever the detective and whatever the plot, mystery and mayhem often go hand in hand with good food and drink. From Edgar Allan Poe's "Cask of Amontillado" to the Tanqueray gin martini favored by Ian Fleming's James Bond to the fried green tomatoes with side pork and rich milk gravy that Virginia Rich's Eugenia Potter makes while tidying up a murder's loose ends, mystery writers, more often than other fiction writers, seem at home in the world of gastronomy.

Carol Brener, owner of the Murder Ink bookshop in Manhattan, was probably joking when she said the reason might involve the delectable tradition of reading mysteries while eating chocolates. Those with a more sinister bent tie food and drink to the role of poison.

"If you had to eliminate someone, the table was as good a place as any to have a go at it," wrote Carlotta Oglethorpe, identified only as a person who dines alone, in one of the articles in "Murder Ink: The Mystery Reader's Companion" (Workman, 1977).

Still others say food may help define a character or situation, or build suspense. By offering specific details — a recipe, a vintage — circumstances involving food or wine may ground in reality the most improbable plot.

Many times, food is there simply because the writer likes to cook. "It's part of his world and part of my world," says Linda Barnes of her creation, Michael Spraggue, and his interest in food and wine.

That sort of interest is behind a

Edward Gorey

number of cookbooks based on detective heroes. The French food writer Robert Courtine collected "Madame Maigret's Recipes." The book is, alas, out of print, but "The Nero Wolfe Cookbook" (Penguin, 1983) is available. A collection of Spenser's recipes edited by Kate Mattes, owner of Kate's Mystery Bookstore in Cambridge, is to be published by Delacorte.

"There are more and more mysteries that feature recipes, restaurants, cooks," Brener said, noting that not all of these have to do with *good* food. She is especially fond of the risotto described in Robert Barnard's "Death by Sheer Torture" (Dell, 1981). "I love risotto, don't you?" Aunt Kate says to her nephew, Detective Inspector Perry Trethowan. "You can put absolutely everything in!" Which is precisely what the detective finds while eating: scraps of beef, bits of turnip and beetroot, hacked up sardines, diced tinned peaches, a bony bit of kipper, a lump of marshmallow and "something that seemed to be nutty fudge."

Spenser (he has a first name, but Parker refuses to divulge it) is a fine cook, however. Witness the preparation, with which he wooed and won Susan in "God Save the Child" (1974):

"I peeled and sliced three green apples, some carrots and some red onions. I added a lump of butter and put them to simmer in about an inch of cider in a tightly covered saucepan. I made a Cumberland sauce for the pork. I put a bottle of red wine in the wine bucket, opened it to let it breathe and packed it in ice. I knew that was bad — I was supposed to roll it on my palate at room temperature, but once a hick, always a hick, I guess. I like it cold."

Why is Spenser such a good cook? "I use what I know," said Parker, who stayed home to cook, write and raise two sons while his wife, Joan, went out to work.

In the Spenser novels, the cooking episodes serve several purposes, Parker said. "They enlarge and soften the hard lines of the character. And they provide a certain amount of stage business, a pregnant pause."

Another mystery writer, William S. Bayer, has an analytical explanation of the role of food in mysteries. Bayer, who is married to the food authority Paula Wolfert, with whom he has written many magazine articles about food, does not write about food in his books, but he admires both Nicolas Freeling, a former restaurant chef whose mysteries often feature food and recipes, and Simenon, especially "Sunday" (1959), a psychological thriller involving a chef who plans to murder his wife while the wife plans to murder him.

"Food in mystery novels represents a component that goes back to Aristotle, to the principle of peripeteia," Bayer said. "It's one example of a digression or rebound that suspends the movement toward resolution. By suspending the movement, you create more suspense."

PEOPLE

Fund-Raiser Loses ... Photos, Heart in N.Y.

A Briton who was on the ... becoming the first man ... around the world, and ... raising money for the World ... life Fund to boot, lost virt... his possessions and record... feat when two men broke ... car in New York while ... people watched, a televi... filmed the theft and a traff... man wrote a parking tic... nearby car. Henry Weston ... Portsmouth, England, ... would not continue his ... just haven't got the heart ... on," he said. "What's the ... They even stole my running ... He had packed the car for ... the airport; he had been ... to fly from New York to ... late Monday and, after run... across Ireland, was to take a ... to Liverpool for the final leg ... run, to London. Weston ... worst loss was photograph... films recording his feat. "The ... photographs of me with ... heads of state, such as ... sein, and the video film ... used to make a television doc... tary," he said.

□

Prince Charles is reported ... set that at the Trooping of the ... or for his mother's official ... day, there were only white ... among the more than 2,000 ... ing guardsmen. News report... that the prince had expressed ... ous concern" about discrim... in Queen Elizabeth II's mili... corts and that he had clashed ... his father, the Duke of Edin... over the hiring of more bla... his, Charles's, personal staff. ... ingham Palace, in a statement ... "This is entirely a matter for ... army." A military spokesman ... "The army considers itself ... blind." But The Observer new... per quoted a senior noncom... sioned officer in the guard... saying, "There are no black ... guards. There have never been ... there never will be."

□

The vibraphonist Lionel ... ton will fill in for and pay tri... Benny Goodman Friday at the ... verbend Festival in Chatta... Tennessee. Goodman, who ... last week, had been schedul... headline the 10-day festival ... revue. Hampton worked for ... man in 1936-40, then started ... own orchestra.

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INTERNATIONAL HERALD TRIBUNE
TODAY ON PAGE 17

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PERSONALS

KREVSKI - Will the Heathrow Business Centre be open at 7:00 pm? Can't you manage gold? Diamonds no good. Nathan - Unhappy. Randy

MARY - MEET ME IN MONTE-Carlo at Lowes Hotel, for great Monetary Seminar, June 22. Frank

BIG BAD DO! Happy Europe oh yes Happy Birthday

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